

Its Profile

V&A served as a role model for many American museums, including those of Baltimore, Boston, and Brooklyn, New York. The idea was to use the museum as an educational instrument, to teach art and design, to be useful, to do something for the public," Borg said.

In truth, in creating the Museum of Modern Art in 1929, just after the World Exhibition of 1929, the government saw it principally as a way of raising the standards of British design in the context of the Industrial Revolution.

Its educational role was added by its founding director, Henry Cole, who saw the museum being "elevated from being a mere unimpressive schoolhouse for everyone" to a named the South Kensington Museum. It opened on its present site on the corner of Exhibition Road and Cromwell Road in 1857.

But by May 1890, when Queen Victoria gave the museum its present name in memory of her consort, the V&A had lost its popular touch. Even now, while the V&A has many fervent admirers, a good many Londoners stay away, believing erroneously that it is a museum of Victorian art.

In looking to the future, Borg has therefore sought inspiration in the museum's earliest years. "I think the museum should be trying to lead taste, to show people what is good design from the past and the present," he said. "We should take some risks, we can even say, 'This will be the next big thing.'"

He clearly has plenty on his plate, with managing the museum's 800 member staff and an annual budget of about \$10 million (\$65 million), promoting its new contemporary image and finding the money for the \$30 million renovation of the British Galleries. As a result, many Londoners believe that the Spiral is too ambitious.

Borg, though, is unfazed. He said that the success of the new Guggenheim Museum in Bilbao, Spain, had shown what modern architecture can do for a city. He also noted that according to polls commissioned by the V&A, public attitudes toward the Spiral in London had gone from largely hostile to slightly favorable.

"Just as changing opinions resulted in planning permission, we're not opposed to that opinion will also swing the balance of decisions," Borg said. "The most important thing is that we have a museum we have support."



ing to an on-line poll for TV Guide.

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Rising Joblessness Tears at Japan's Social Cohesion

By Stephanie Strom
New York Times Service

TOKYO — Last June, Takaharu Akimoto's boss politely and apologetically asked him to quit his job as a production manager at Shoshiba Manufacturing Co., a midsize engine-parts manufacturer affiliated with the beleaguered Nissan Motor Co.

"I said to myself, 'Impossible!'" Mr. Akimoto recalled. "I told him I didn't want to quit, please let me stay longer."

But in today's Japan, the impossible has become possible, and in December, seven years shy of his retirement, Mr. Akimoto "quit" and joined the 2.91 million other Japanese who are officially looking for a job.

"This is the worst period of my life," he said. "I've had some serious setbacks before, but this is totally different."

Japan has been suffering its highest rate of unemployment since the government started keeping statistics in 1953. Almost twice as many people are looking for jobs as there are job openings, and many of the available positions are in low-paying, unskilled areas.

That strikes a blow to the heart of Japan's self-image, and the whole country is reeling. Although unemployment is low compared with the rate in many other countries, full employment, or close to it, is a key clause in the social contract that has kept the public complacent and one political party in power in Japan almost consistently since World War II.

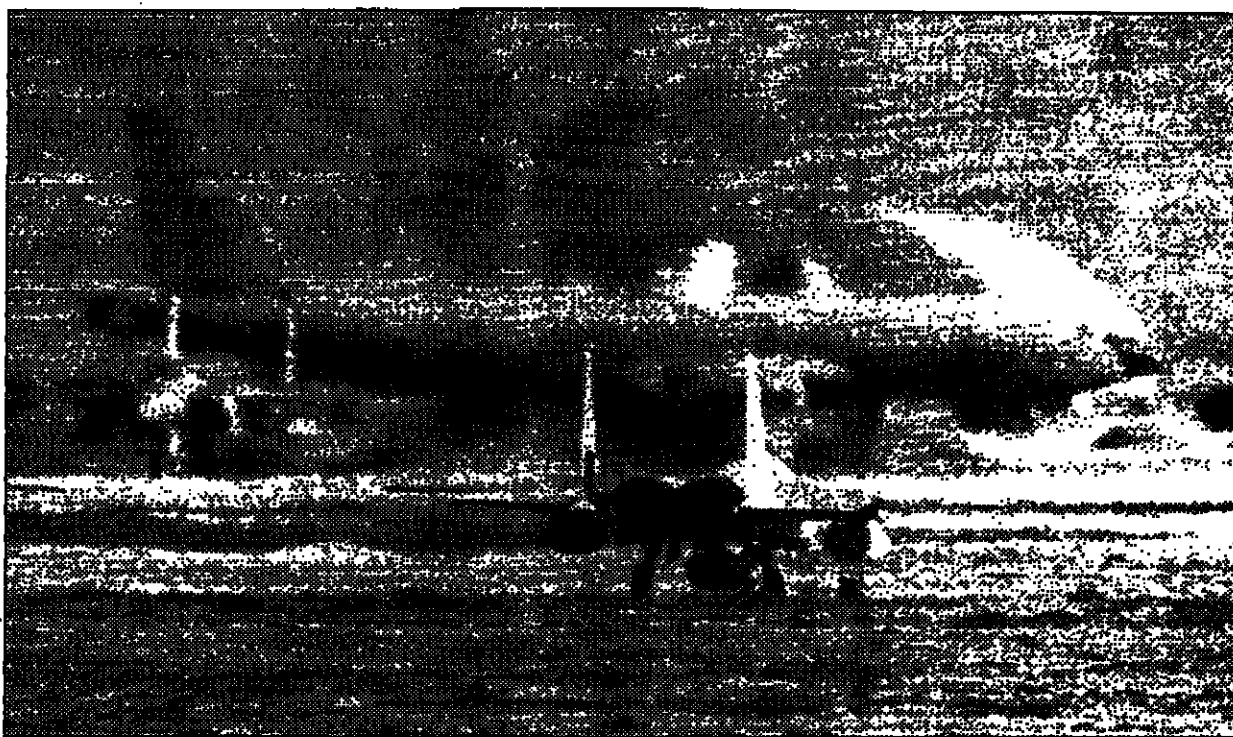
Now, for the first time since the lean years after the country's defeat in the war, most Japanese know someone who is out of a job and fear that they could be next.

In addition to the challenge of finding work, the jobless are battling shame and despair. Mr. Akimoto, for example, kept his quitting a secret from his wife for a week.

"I was at a loss as to how we would survive," he said.

The humiliation sometimes flares into anger, an emotion rarely on public display in Japan. An irate job-seeker waved his fist in the face of a television reporter filming at one branch of the government employment agency known as Hello Work, accusing the reporter of invading

See JAPAN, Page 4



A U.S. F-15 jet preparing for takeoff Wednesday at the Incirlik base in southern Turkey for a patrol over Iraq.

U.S. Widening Its Targets in Iraq

By Steven Lee Myers
New York Times Service

WASHINGTON — The almost daily U.S. air strikes against Iraq have turned into the equivalent of a low-intensity war, hitting a wide range of military sites. While the Pentagon seeks to justify the attacks by calling them defensive, some of the targets pose little immediate threat to U.S. or British pilots flying patrol over much of Iraq.

Operating under rules that allow pilots — if attacked or threatened — to strike at any targets, U.S. fighter jets have pounded more than a dozen sites in north and south Iraq in the last four days.

On Tuesday, for the first time, the targets included a newly completed missile site that could threaten ships in the Gulf, Pentagon officials said.

And in the last month, U.S. planes, recently joined by British jets, have attacked more anti-aircraft batteries and surface-to-air missile batteries than they did during the four nights of intense raids in December.

Including the Tuesday raids, the Americans and British have struck more than 40 targets.

The raids in December were meant to set back Iraq's ability to make chemical and biological weapons in the wake of President Saddam Hussein's repeated refusal to cooperate with United Nations weapons inspectors.

The aim of this new war of attrition, officials said, is to put pressure on President Saddam's isolated government and armed forces to keep him on the defensive, even as the United States openly advocates the overthrow of the Iraqi leader.

Officials at the Pentagon say the latest strikes have dealt a blow to Iraq's ability to threaten the American and British patrols. By one intelligence estimate, Iraq has lost about 20 percent of its air-defense weapons since the December raids.

"We're being effective, taking out his air defenses piece by piece," an official said.

But Iraq has remained defiant. On Monday, Baghdad

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EU Warns Italy On Deficit Criteria For Single Currency

'Over-Optimistic' 3-Year Budget Plan Should Be Revised, Commission Says

By Barry James
International Herald Tribune

BRUSSELS — The European Commission fired a warning shot across Italy's bow Wednesday, saying Rome's growth forecasts seemed "over-optimistic" and questioning whether it could sustain the economic performance required for membership in the European single currency, the euro.

The European Union's executive agency recommended that the Italian government resubmit its three-year budget plan. Italian officials insisted that the government would be able to keep to the criteria, but the warning revived old fears about Italy's ability to keep its economy in line with other countries in the currency union.

Although Italy made heroic efforts in becoming one of the 11 countries adopting the euro, concern was expressed in Germany and elsewhere about its historically high levels of public debt and deficit. Now, the commission has suggested that Italy may have to do more to comply with the euro zone's economic targets.

The commission's assessment followed warnings by the European Central Bank that several member countries are not making enough of an effort to assure that their budgets are balanced or in surplus.

The commission's findings will be debated Monday by finance ministers of the 11 countries forming part of the currency zone, and if its assessment is confirmed, the ministers are likely to instruct Italy to present a revised program, officials said.

At the same time, the commission said Britain and Sweden, which are not members of the economic and monetary union, fully met the single currency requirements. It said Portugal met the requirements but had insufficient margin for maneuver if economic conditions worsened.

Italian officials said Treasury Minister Carlo Azeglio Ciampi would show new figures to the EU finance ministers next week to prove that Italy's budget and economic forecasts were realistic. In Rome, Mr. Ciampi said the presentation of a three-year economic program in the spring should satisfy the commission's request for a revised Italian medium-term budget proposal.

The commission also warned that because of

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Second Thoughts About East Timor Indonesia's Offer of Independence Now Suspect as Violence Flares

By Michael Richardson
International Herald Tribune

JAKARTA — Far from pacifying rebellious East Timor, Indonesia's offer of independence is fanning a cycle of violence that could make early sovereignty impossible, diplomats and aid workers said Wednesday.

In fact, some analysts now think that Jakarta's surprise statement last week was intended to whip up controversy and conflict in the former Portuguese colony to strengthen the case for it to remain part of Indonesia.

This suspicion has been increased by the disclosure that the Indonesian military is paying and arming a large militia force in East Timor that critics say is terrorizing the majority of the population there that favors independence. Indonesia annexed the territory as a province in 1976 in a move that has not been recognized by most governments.

Meanwhile, pro-Indonesian loyalists say that they are resorting to arms because they feel intimidated by pro-independence groups, who they say also have guns.

"There's a tremendous potential for violence," a senior Western diplomat said. "The lid is now off. Rival groups in East Timor are struggling for position."

About 30 persons are reported to have been killed in political violence in East Timor in the week since Jakarta first held out the prospect of independence, and critics say the Indonesian government and military could use the rising tension and conflict as a reason for remaining there to keep the peace.

Such a situation clearly strengthens the government's argument that the best option for the territory is not independence — and the risk of civil war — but a large measure of self-government within Indonesia.

The foreign ministers of Indonesia

and Portugal are to meet in New York on Sunday and Monday for more talks on the future of the territory, which United Nations officials hope will result in an agreement on an autonomy package.

The agreement has been under negotiation for months and was supposed to have been completed by the end of 1998. But there is no accord yet between the two sides on the key question of how to gauge whether a majority of East Timorese support autonomy and whether such autonomy should be a stepping stone to an act of self-determination that would include a vote on independence in a referendum supervised by the United Nations.

Portugal has long supported such an outcome, and Indonesia strongly opposes it.

In an interview in the International Herald Tribune on Wednesday, Foreign

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Xanana Gusmao, an imprisoned East Timorese separatist leader, left, greeting Louis Joinet, a UN human rights representative, on Wednesday.

Germany Searches Soul With Debate On Citizenship

By John Schmid
International Herald Tribune

FRANKFURT — Rarely can the far-right anti-immigration parties of Germany make common cause with mainstream politics.

But the radical right is having a field day, throwing its unsolicited and unwelcome support behind a petition drive by the established center-right parties that is meant to oppose a relaxation of Germany's rigid citizenship laws by the new left-leaning government.

"This campaign is out of control," complained Cem Ozdemir, a Green party member of the Bundestag who is of Turkish origin. "The problem is that it is being used by the far right. It has become anti-foreigner and anti-non-German."

What started last month as an opposition effort to collect enough signatures to weaken a key domestic policy initiative by the new chancellor has inflamed a national debate over who should be allowed to become a German.

Bitter recriminations are flying, with the center-left government accusing opposition Christian Democrats of fomenting racism. Skirmishes have broken out at sidewalk stands where conservative party faithful collect signatures. Civic and religious leaders have begun to speak out, fretting that anti-foreigner sentiment could damage the nation's image.

"This campaign is unholy," said Environment Minister Juergen Trittin, a leader in the Greens, the junior partner in the Social Democratic-led government. "It is encouraging violence and splitting our society in half."

The unwanted support of the far right is both predictable and "very dangerous," said Ignatz Bubis, chairman of the Central Council of Jews in Germany, which opposes the signature campaign.

The debate has become the latest instance of soul-searching to consume Germany since the elections in September. As a generation of leaders who never experienced World War II took over, they wrestled over the design of a Holocaust memorial in Berlin, legal claims by concentration camp survivors and arguments by Martin Walser, a prominent novelist, that he wears of nonstop reminders of the horrors of Auschwitz.

Those debates accompany declarations that the new Germany has become "normal" since its generational change.

Under watchful police sentries, the sidewalk stands across Germany have become ad hoc forums for counter-demonstrators, far-right gawkers and spontaneous outbursts of angry argument with pedestrians.

The chairman of the far-right Republican Party, Rolf Schlitter, this week announced that the time had come to join forces with the center-right Christian Democrats. In an open letter to the

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Americans Turn Angry At Senate, Too, Over Trial

By Richard L. Berke
and Janet Elder
New York Times Service

NEW YORK — Most Americans now condemn the Senate for its handling of the impeachment trial as much as they did the House of Representatives, and Republicans are taking most of the blame.

The party's image has taken such a battering that half of conservative Republicans even say their party's prospects for the 2000 elections have been damaged, the latest New York Times/CBS News Poll shows.

While senators had pledged that they would not engage in the brutal partisanship that marked the House de-

liberations, the public views the entire matter in both chambers as more a Republican drive to undermine President Bill Clinton than an honest investigation of possibly serious crimes.

Americans now have grown so exasperated with their lawmakers that most people do not expect the Senate

The Senate struggles with its next move in the trial. Page 3.

trial to end Feb. 12 as Senate leaders have promised.

In a collective judgment that might be summed up as "Enough already!" Americans said impeachment by the House was adequate punishment for Mr. Clinton. While there is still public support for censure, the public would be just as happy if the whole matter were dropped without any final vote.

More than two-thirds of those polled said the Senate does not need to call witnesses to help them decide how to vote on the articles of impeachment. Nearly three quarters said the videotaped testimony of Monica Lewinsky, Vernon Jordan and Sidney Blumenthal should not be made public. More than three-quarters said they have learned nothing new about the whole situation from the Senate trial.

Americans also think that voters' exasperation with impeachment will come at the expense of Republicans in the elections next year.

Forty-eight percent of all Republicans and 50 percent of conservative Republicans said the way House and Senate Republicans have handled the matter would make it harder for Republican

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AGENDA

U.S. Outlines Size Of a Kosovo Force

Defense Secretary William Cohen told the Senate Armed Services Committee on Wednesday that the administration might commit a "relatively small" U.S. ground force to Kosovo, but only if a firm peace agreement is reached between warring factions.

Other NATO members should make up the majority of such a force, he said.

Pressed by senators on the likely size of the U.S. contingent, General Henry Shelton, chairman of the Joint Chiefs of Staff, suggested that a maximum of 2,000 to 4,000 U.S. troops might be required if NATO decided on an overall force of 20,000.

He stressed that the number was hypothetical. Page 5.

The Dollar		
	Wednesday 4 P.M.	previous close
Euro	1.1295	1.1341
Pound	1.6358	1.6388
Yen	112.975	112.145
DM	1.7303	1.7228
FF	5.8031	5.7847
Dollars per pound and per euro		
The Dow		
	Wednesday close	percent change
S&P 500	8,366.81	+ 1.00%
	+ 10.05	1,272.03
Nasdaq		+ 0.80%
	+ 29.73	2,493.16
		+ 1.21%

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A Memorial Service and a Court-Martial

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THE AMERICAS

Senators Struggle With Next Move as Outlook for Live Testimony Dims

By Brian Knowlton
International Herald Tribune

WASHINGTON — House prosecutors completed their private questioning of witnesses Wednesday, but there was no sign of any sensational revelations and senators were searching for a way to register their disapproval of President Bill Clinton's conduct without removing him from office.

The Senate impeachment trial resumes Thursday, with senators facing decisions on whether to call any of the three witnesses — Monica Lewinsky, the president's friend Vernon Jordan and Sidney Blumenthal, a White House aide — for live testimony, and whether to release videotapes or transcripts of the interviews.

On Wednesday, prosecutors questioned Mr. Blumenthal for about three hours, presumably about his earlier testimony that Mr. Clinton had told aides Ms. Lewinsky was a stalker. By day's end, few senators of either party were pushing hard for live witnesses.

The Senate minority leader, Tom Daschle of South Dakota, made it clear that Democrats supported calling witnesses. Emerging from a Democratic caucus, he said that the longer the trial continues, "the more it becomes a Republican trial." He urged a quick end.

Democrats also expressed opposition to any

variation of a Republican plan to formally declare Mr. Clinton guilty of wrongdoing, then proceed to his virtually certain acquittal on the charges of perjury and obstruction of justice facing him.

Mr. Daschle and other Democrats said that such a "finding of fact" would be unconstitutional. White House spokesmen have said the same.

Republicans, however, have expressed deep concern that Mr. Clinton will seize on an acquittal vote as exoneration.

Seeking to calm such fears, Joe Lockhart, the president's spokesman, suggested Wednesday that Mr. Clinton would "continue to take responsibility for the inappropriate nature of his behavior. That will last forever."

On Tuesday, prosecutors interviewed Mr. Jordan. While Mr. Jordan reportedly offered no major surprises, he amended his earlier grand jury testimony to indicate that he had worked more closely with Ms. Lewinsky than previously acknowledged, both in helping her find a job and in reviewing a draft affidavit she was to file in the Paula Jones sexual harassment case.

Even Mr. Clinton's political foes now concede that there is no chance the Senate will convict him of the perjury and obstruction of charges he faces, and senators seem loath to do anything that would drag the trial beyond an anticipated conclusion by Feb. 12.

Several senators have now viewed videotapes of Ms. Lewinsky's deposition. While some said they would like to have her appear in the well of the Senate — Senator Orrin Hatch, republican of Utah, called her "young, vulnerable and credible" — a number of Republicans and nearly every Democrat said that live testimony seemed pointless.

"I don't think it would be necessary to have Monica Lewinsky appear before the U.S. senate," said Senator Olympia Snowe, a Maine Republican.

Mr. Hatch, chairman of the House Judiciary Committee, conceded on NBC, "I doubt there will be the vote to have any live witnesses."

While the lead House prosecutor, Representative Henry Hyde of Illinois, said that live appearances "will be our firm request," there were signs that if the House managers push too hard, it could produce a split among Republicans.

There was interest in showing at least parts of the videotapes to the Senate, however.

As Senator Susan Collins, Republican of Maine, put it, "The public all of a sudden would realize that this is not a sophisticated woman who somehow ensnared the president of the U.S., but a very vulnerable young woman who was exploited by the president of the U.S."

Other senators, from both parties, said the Lewinsky interview showed nothing new.

"When I was watching the tape, also reading the transcript with it," said Senator Tom Harkin, a liberal Democrat from Iowa, "I thought to myself, 'I've been here before.'"

Mr. Daschle said that for the sake of fairness, if the Senate voted to air the videotaped depositions, they should be aired in their entirety.

Mr. Lockhart said the videotaped depositions should remain secret, to avoid creating "a frenzy." Instead, he said, transcripts should be released.

The votes on witnesses and on the videotapes require a simple majority, or 51 of 100 votes.

Mr. Blumenthal, in earlier testimony, quoted Mr. Clinton as saying that he had rebuffed Ms. Lewinsky after she "came at me and made a sexual demand on me."

Prosecutors may have hoped, as a Wall Street Journal editorial put it, to use Mr. Blumenthal's testimony to show "the president at his worst — so eager to obstruct justice that he is willing to ruin a young woman who unwisely loved him."

As part of the obstruction of justice charge, House managers have been trying to show that Mr. Clinton sought to mislead his aides in the expectation that they would provide a similar account to investigators working for the independent counsel, Kenneth Starr.

Mr. Jordan told reporters only days after Ms.

Lewinsky's name first surfaced in public last year that he had tried to help her find a job, but that he was doing no more for her than he had done for countless other young people. On Tuesday, he reportedly conceded having given the project an unusually high priority. For the first time, he acknowledged that he and Ms. Lewinsky had discussed the affidavit she was preparing to file in the Jones suit, in which Ms. Lewinsky denied having had a sexual relationship with Mr. Clinton, the Los Angeles Times reported.

But Mr. Jordan said that they spoke on the telephone, and that she asked him about some of the phrases she was working on, but he added that he did not ever see the affidavit.

Ms. Collins's plan to issue a "finding of fact" that cites Mr. Clinton's alleged misconduct but does not remove him from office, may be voted on as early as Monday.

An influential Democrat, Senator Robert Byrd of West Virginia, assailed the "findings of fact" idea in a Washington Post op-ed article. The idea, he said, "lies in the face of what the Framers of the Constitution intended."

Mr. Byrd, a constitutional expert, said that "finding" would skirt the Framers' intention to set the impeachment bar high by requiring a simple majority, not the supermajority of two-thirds of the Senate to convict. He called the idea "a legislative mutant."

Big Judgment Stings On-Line Abortion Foes

By Sam Howe Verhovek
New York Times Service

PORTLAND, Oregon — In by far the largest judgment ever imposed on militant abortion opponents, a federal jury has ordered creators of Old West-style "wanted" posters and a World Wide Web site that lists the names of abortion providers to pay more than \$107 million to Planned Parenthood and a group of doctors who contended that the material amounted to deadly threats.

The plaintiffs hailed their victory as a major step in their fight to stop the "domestic terrorism" of some abortion foes, whose lists of "baby butchers" on the Web site include the names, home addresses and license-plate numbers of many abortion doctors and the names of their spouses and children.

The Web site is called "The Nuremberg Files." When doctor on a posted list is slain, as three have been, the Web site shows a line drawn through his name.

At least seven people working at abortion clinics around the United States have been killed in recent years, and there have been more than 250 clinic bombings and incidents of arson. In that climate, abortion-rights groups say, the site is intended to stir up more violence.

But the defendants, who noted that nothing in their materials specifically advocated violence against abortion providers, said the decision trampled on the U.S. Constitution's free-speech protections.

They vowed to appeal, and legal experts say the case may well wind up in the Supreme Court as a major test of the line between protected speech and unlawful intimidation.

The case was brought under federal racketeering statutes and the Freedom of Access to Clinic Entrances Act of 1994. That legislation makes it illegal to use "force or threat of force" against anyone seeking or providing an abortion.

The plaintiffs said they were using the legal tactics of civil rights groups that had won judgments allowing them to seize the assets and so shut down the operations of Ku Klux Klan organizations.

But several of the 14 defendants — 12 individuals and organizations grouped as the American Coalition of Life Activists and Advocates for Life Ministries — said they would not pay the judgment awarded Tuesday.

"I could not in good conscience give money to an industry that thrives on killing children," one of the defendants, Catherine Ramey, said outside the federal courthouse. "That would be like asking Martin Luther King to pay money to the Ku Klux Klan."



Catherine Ramey, a defendant, outside the courthouse, where she said she refused to pay damages "to an industry that thrives on killing children."

Holbrooke Reportedly Agrees To Pay Fine for Illegal Contacts

By Philip Shenon
New York Times Service

NEW YORK — Richard Holbrooke, President Bill Clinton's choice to be the top American delegate to the United Nations, has agreed to pay \$5,000 to the Justice Department to settle civil charges that he violated federal lobbying laws in his contacts with the American Embassy in South Korea, according to government officials and friends of Mr. Holbrooke.

Officials said the settlement did not require an admission of wrongdoing by Mr. Holbrooke and should allow his nomination for the UN post to be submitted this month to the Senate for confirmation.

The terms of the settlement, which was reached between Mr. Holbrooke and the Justice Department, are expected to be announced after a final review by senior officials at the department, including Attorney General Janet Reno.

The Justice Department had accused Mr. Holbrooke of violating federal lobbying laws when, shortly after resigning from the State Department in 1996, he contacted the embassy in Seoul for help in setting up an appointment with the president of South Korea and other Korean officials. He was in Seoul in his new job as vice chairman of the investment banking firm of Credit Suisse First Boston.

Federal ethics laws bar officials leaving the government from a variety of contacts with former colleagues.

The nomination still has to be reviewed by the Senate Foreign Relations Committee and its often unpredictable chairman, Senator Jesse Helms, Republican of North Carolina. Mr. Helms has promised that he will scrutinize the in-

vestigation to determine whether prosecutors treated Mr. Holbrooke leniently.

Mr. Holbrooke, whose nomination has been stalled for eight months as a result of the joint ethics investigation by the Justice and State Departments, has denied wrongdoing in his contacts with the embassy in Seoul and Ambassador James Laney.

UN Research Yields HIV Protection for Babies

By Lawrence K. Altman
New York Times Service

CHICAGO — Scientists working for the United Nations have found that a simple, relatively inexpensive drug treatment can significantly reduce mother-to-infant transmission of the AIDS virus.

The results are not as good as those from the standard treatment in Western countries, where prospective mothers infected with the virus receive the drug AZT starting about the 26th week of pregnancy and their babies get it during their first six weeks of life.

But that drug therapy, which can cost \$1,000 or more, is far too expensive and complicated for the poor countries of the world where HIV, the AIDS virus, is spreading fastest.

The new strategy, which requires taking twice a day one pill that combines two drugs, significantly abbreviates the treatment period. It works about as well whether the women start taking the pills about three weeks before delivery or at the onset of labor, which in many poor

countries is the first time expectant mothers seek medical assistance.

In either case, the mother and baby take the drugs for only a week after birth. Unlike treatment in developed countries, where mothers typically receive an intravenous infusion of anti-AIDS drugs during labor, the treatment described Monday does not require injections, which may be unsafe in developing countries.

Each pill contains two standard anti-HIV drugs: AZT, or zidovudine, and 3TC, or lamivudine. The women take one pill in the morning and the other in the evening.

Dr. Joseph Saba, a UN official in the AIDS program who reported the findings at a science conference here, expressed hope that the strategy would sharply reduce the number of babies born infected.



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Away From Politics

The U.S. Postal Service had a \$550 million surplus in the fiscal year that ended last September, its fourth straight profitable year. The agency's annual report said it handled 198 billion pieces of mail in the year, or approximately 376,712 items a minute — 41 percent of the world's mail, the post office said. (AP)

The Seattle Times, long a flourishing afternoon newspaper, will become a morning paper and compete head-to-head against the rival Seattle Post-Intelligencer. The change will take place within two years as part of a restructured joint operating agreement between the Seattle Times Co. and the Hearst Corp., which owns the Post-Intelligencer. (AP)

Only about half of all people infected with the AIDS virus in the United States are getting treatment, researchers at the RAND Corporation told reporters at an international AIDS conference in Chicago. (Reuters)

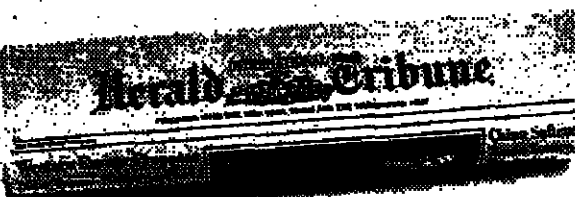
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THE WORLD'S DAILY NEWSPAPER

INTERNATIONAL

CEO of an \$11 Billion-a-Year Enterprise: Counterterrorism

By Tim Weiner
New York Times Service

WASHINGTON — Richard Clarke is the White House terrorism czar. His stock in trade is the stuff of techno-thrillers: biological bombs in the Wall Street subway, chemical clouds of death in the Pentagon parking lot, cyberwar attacks crippling the nation's computers.

Pale as skim milk, his once-red hair gone white at 48, he works long days and nights in Oliver North's old office at the National Security Council, keeping a profile so low that almost no one outside his top-secret world knows he exists.

As chairman of the government's chief counterterrorism group for the last seven years, he has become what John le Carré calls an "intellect" — a gray baron who seems to command nothing more than his desk, yet waves a wand and sends soldiers, guns, money and spies around the world.

Mr. Clarke inspires ferocious loyalty from friends and fierce enmity from foes inside the government. He wins praise for getting things done in secret — and criticism for exactly the same. At the National Security Council, where he landed in 1992 after losing his State Department

job in a bitter battle over Israel's misuse of American military technology, he can operate without outside oversight so long as he has President Bill Clinton's confidence.

He has it. The president recently named him the nation's counterterrorism coordinator, a new and powerful post. He has to try to coordinate everything from the Pentagon and its evolving plans to defend the United States against terrorists down to local police and fire departments. Despite years of effort to pull it all together, this has never been accomplished.

The mission of protecting Americans from attack, whether by states or rogue groups, is "almost the primary responsibility of the government," Mr. Clarke says.

He is trying to raise the fear of terrorism in the United States to the right level — higher, not too high — as he girds the nation for the possibility of an assault from nerve gas, bacteria and viruses, and for what he calls "an electronic Pearl Harbor."

He has to walk a fine line. "You want people to understand the peril without panicking," said Anthony Lake, his boss at the National Security Council from 1993 to 1996.

Mr. Clarke has a reserved seat when cabinet officers gather at the White House on national

security issues. "My name is on the table next to Madeleine Albright and Bill Cohen," the secretary of state and defense, Mr. Clarke said. His vote carries the weight of those cast by the chairman of the Joint Chiefs of Staff and the director of central intelligence.

He helped drive the decision to fire cruise missiles at Afghanistan and Sudan in August, trying to strike at Osama bin Laden, overpowering dissenters at the State Department and the CIA. Now he is helping to steer secret operations aimed at capturing the Saudi exile, who is accused of bombing two U.S. embassies.

Mr. Clarke has also written at least four classified presidential directives on terrorism. They helped expand the government's counterterrorism cadres into the \$11 billion-a-year enterprise he now coordinates, stifling some protests at the Justice Department and the Pentagon, which saw him as a competitor for money and power.

In his office, where a small sign reads "Think Globally/Act Locally," he spoke passionately about the threat of cyberwar, invisible attacks on U.S. computers, a terror so insidious, so arcane he has trouble convincing corporate chiefs and political commissars it is real. But it is out there, somewhere, he says, even if he cannot prove it.

"There is a problem convincing people that there is a threat," he said. "There is disbelief and resistance. Most people don't understand. CEOs of big corporations don't even know what I'm talking about. They think I'm talking about a 14-year-old hacking into their Web sites."

"I'm talking about people shutting down a city's electricity," he added, "shutting down 911 systems, shutting down telephone networks and transportation systems. You black out a city, people die. Black out lots of cities, lots of people die. It's as bad as being attacked by bombs."

"An attack on American cyberspace is an attack on the United States, just as much as a landing on New Jersey," he said. "The notion that we could respond with military force against a cyber-attack has to be accepted."

Why would anyone want to mount such an attack? "To extort us," he said. "To intimidate us. To get us to abandon our foreign policy — 'Abandon Israel or else!'"

"Imagine a few years from now: A president goes forth and orders troops to move. The lights go out, the phones don't ring, the trains don't move. That's what we mean by an electronic Pearl Harbor."

Enemies and allies alike say Mr. Clarke wins



Richard Clarke, the coordinator of U.S. government efforts to prevent terrorism.

battles by working longer hours and twisting more arms. "I like Dick so much for the same reason that some people have not liked him: He has a passion for getting things done," said Mr. Lake. "That can be abrasive."

Arabs in Gulf Wary of Bid to Oust Saddam

Reuters

DUBAI — A U.S. campaign to overthrow President Saddam Hussein in Iraq has encountered opposition in neighboring Gulf nations, analysts said here Wednesday.

Arab leaders are skeptical about the plan, the analysts said, which some of the leaders fear would be a dangerous precedent and pose hazards to the entire region.

A senior U.S. diplomatic official who toured five nations seeking support for a \$97 million campaign aimed at overthrowing the Iraqi leader said there was "a consensus about the continuing danger that Saddam Hussein poses to Iraq's neighbors and to its people."

Assistant Secretary of State Martin Indyk also noted after his talks with leaders of Bahrain, Kuwait, Oman, Qatar and the United Arab Emirates they argued strongly that change needed to come from within Iraq.

"We agree with that," he added. Sheikh Mohammed bin Rashid Al Maktum, defense minister of the United Arab Emirates, expressed strong reservations, the official news agency said. The defense minister feared that any political change in Iraq imposed from outside could lead to rifts and civil war, the agency said.

In Oman, a government statement said Sultan Qaboos bin Said stressed to Mr. Indyk the principle of noninterference in the internal affairs of other countries.

The statement also spoke of continuous efforts to help ease economic sanctions against Iraq to alleviate the suffering of ordinary people — a common theme in Gulf nations sensitive to TV images of distress caused by shortages.

Qatar, too, had reservations about the U.S. plan. "It is an internal matter for Iraq," a senior Foreign Ministry official said. "We would prefer this matter should be left to the Iraqi people to decide whether they want a change or not or whom they want as their leader. Any outside interference will not be in the best interest of anybody."



Despite years of war, threats of more war, UN sanctions and strong government controls over the economy, Iraqi investors gather three days a week at the Baghdad bourse to watch the big board and look for deals.

IRAQ: U.S. Widens Its Target List as Jets Face Growing Challenge

Continued from Page 1

offered a bounty equal to about \$14,000 to any Iraqi who shoots down an American or British jet. Iraq offered a smaller bounty for capturing a pilot.

The U.S. defense secretary, William Cohen, scoffed at the gesture, saying it was "just another example of Saddam Hussein flailing out."

Last week, President Bill Clinton's national security adviser, Samuel Berger, disclosed that Mr. Clinton had given American pilots wider authority to retaliate when threatened, allowing them to strike at any Iraqi military defense system, not just those that actually targeted the aircraft.

In the Tuesday strike, four jets from the carrier Carl Vinson — two F-14s and two F/A-18s — attacked an anti-shiping missile site on Fao Peninsula south of Basra, even though there were no indications Iraqis there were preparing to fire.

Officials at the Pentagon said Iraq had readied the missile in the last week. It was described as a Soviet-made CSSC-3 capable of hitting a ship up to 60 miles

(100 kilometers) away. "They put them on launchers and put the launchers in a position to fire into the Persian Gulf," said an official.

According to the Pentagon, the Carl Vinson's jets attacked the site with four precision-guided bombs. One official said the bombs appeared to strike their target because they were followed by secondary blasts, presumably from munitions.

During the raids in December, U.S. and British forces attacked 100 targets in all. The commander who directed that attack, General Anthony Zinni, reported that the missile strikes had destroyed the vast majority of their targets. The jets had less luck with the 34 air-defense targets they attacked, destroying half.

Since then, the U.S. strikes had been limited to missile batteries, radar facilities and other parts of Iraq's air defenses. The officials said they would not rule out striking other facilities, but for now they do not plan a broader air campaign.

Administration and Pentagon officials said they were content to continue

retaliating as long as Iraq continued to challenge the American and British patrols. Appearing before the House's Armed Services Committee, Mr. Cohen said that each time Iraqi forces threatened the pilots, "They're going to pay a penalty for it."

In the last few days, Iraq has withdrawn some of its surface-to-air missiles — including Soviet-made SA-2s and SA-3s — from the no-fly zones in what officials described as an apparent attempt by the Iraqi military to protect its most potent weaponry from attacks.

In recent weeks, the United States has moved more aircraft into the region, including more F-16s and EA-6Bs armed with radar-seeking missiles. There are now roughly 200 American aircraft patrolling the southern no-fly zone from the Carl Vinson and from bases in Kuwait and Saudi Arabia, and another 40 or so are patrolling the northern zone from Incirlik, Turkey.

Britain has roughly two dozen jets patrolling the two zones.

So far, neither the United States nor Britain has lost any pilots or aircraft. Their tactics are designed, in part, to limit that possibility, by attacking with long-range missiles and steering clear of attempts by Iraqis to lure jets into what U.S. officials call missile "traps."

There are military and political risks in this newly aggressive strategy. Last week, at least one American missile missed its target and struck a residential area in southern Iraq, the Pentagon acknowledged. Iraq said 11 civilians were killed.

Turkey, one of the closest U.S. allies in the region, has signaled some uneasiness over the continuing strikes. Defense Minister Hikmet Sami Turk said in an interview Tuesday that his country wanted to renegotiate the rules of engagement for jets operating out of its territory, though he did not specify what changes were being considered.

■ **Last Americans Ordered Out**

The UN ordered the last remaining Americans working for the United Nations to leave Iraq because the Iraqi government says it cannot guarantee their safety, officials said Wednesday.

A UN spokesman, Fred Eckhard, said the order only involved two Americans because all other Americans and all Britons working for the UN have already left the country.

JAPAN: Job Losses Tear Into Self-Image

Continued from Page 1

his privacy and seeking to capitalize on his woes. Job-seekers at another branch merely turned their faces away the instant they saw a camera.

"Japanese people are ashamed to be unemployed," said Masahide Naito, who is in charge of helping those over age 45 at the Iidabashi branch of Hello Work. "It's an embarrassment, something that you hide."

The Japanese employment system, heavy on lifetime loyalty guaranteed by seniority-based pay, has been crumbling since 1993, when many corporate titans started campaigns to trim their work forces.

But that erosion moved at the pace of molasses compared with what happened last year, when the unemployment rate jumped an alarming seven-tenths of a percentage point to an average 4.1 percent. The rate was 4.3 percent in December, one-tenth of a point down from the record high in November. Compounding the problem, companies struggling to avoid layoffs cut wages, which fell at an annual rate of 6.8 percent in December, the worst decline on record.

These statistics have rocked the psyche of a nation that has previously regarded itself as blessedly immune from the economic afflictions suffered by other developed countries.

"I had been hearing about such things on television, but now I'm hearing these stories directly from my classmates, and I'm hearing not just from one but from many," said Hisako Aoyama, one of three women in a class of 28 studying janitorial services at the Tokyo Metropolitan Shinagawa Technical College, a vocational school financed by the city government.

It is a deeply unsettling experience for most Japanese, particularly the men over 45 who are being forced en masse out of companies they joined as college graduates. Their high salaries and looming lump-sum retirement payments provide an obvious target for corporate cost-cutters.

"At 51, I'm at a time of change in my life," said Shigeru Kikuya, a classmate of Mrs. Aoyama, who lost his job as a procurement officer in a factory last March. "The only thing I can do is persevere and hope I can turn my life around."

But the prospects of landing a job for most men his age are slim at best, according to officials at Hello Work.

After Mr. Akimoto, the former Shoshiba manager, finally told his wife of his plight, she urged him to seek help from the Tokyo Managers' Union, a group set up four years ago to represent middle managers who are not union members.

A lifetime employee of Shoshiba whose salary had increased in lockstep with his seniority, Mr. Akimoto had expected to work at the company until he retired at age 60. But with Nissan fighting for its life, Mr. Akimoto's company could no longer afford to keep him on.

"I am angry," he said. "But I don't know where to direct my anger. The company did try to help me find another job at least."

The only jobs he has found so far are as a driver or as the man who waves a light baton at construction sites to direct traffic. He would earn less than 200,000 yen a month after tax, or about \$1,770 at current exchange rates. That is less than the unemployment benefits he receives, but those will run out in late March unless he enrolls in a job training course.

"Right now, rather than immediately taking a job as a driver, I would like to

continue to look for a while," Mr. Akimoto said. "But there is no question that my income will be less than half what I was earning."

Fearful of the social costs that may accompany frustration of the sort Mr. Akimoto is experiencing, the government goes to great lengths to try to keep unemployment figures from rising, providing generous public subsidies to companies to keep workers on their payrolls.

"There is so-called invisible unemployment in corporations today that may become visible in the future, in which case the rate will become much higher than it is now," warned Akira Amari, the labor minister, at a recent press gathering.

Mr. Amari refused to make any estimates of what the real level would be.

"These kinds of figures can drive up the insecurity of the Japanese consumer, so, excuse me, I cannot say what the figures are," he said. "It's my corporate secret."

Although the government has spent upward of \$800 billion to stimulate economic activity, the unemployment rate has climbed steadily.

"Just after the measures are implemented, the number of jobs that comes open increases a little," said Kazuaki Mishima, an official at the Iidabashi Hello Work office. "But the effect doesn't last long, the measures don't really have that much impact."

BRIEFLY

7 Girls in Algeria Are Reported Freed

ALGIERS — Security forces killed 40 armed Muslim extremists and arrested five and freed seven kidnapped girls in a 10-day sweep in eastern Algeria, the daily El Aci reported Wednesday.

The helicopter-supported army operation, backed by police and village self-defense groups, also resulted in the seizure of 17 home-made mortars and the destruction of several arms caches, the newspaper said. The security forces suffered no casualties, it added. (APF)

Foes Reported to Sign Guinea-Bissau Pact

DAKAR, Senegal — Leaders of the warring sides in Guinea-Bissau signed a cease-fire accord Wednesday, paving the way for hundreds of regional intervention troops to deploy in the small west African state, sources there said. The rebels' leader, the sacked army chief General Ansumane Mane, and the head of state, President Joao Bernardo Vieira, signed the accord presented by a visiting ministerial delegation from Togo, the sources said. (APF)

Hard-Liner Seeks Mexico Presidency

MEXICO CITY — Manuel Bartlett Diaz, one of Mexico's most controversial politicians and a leading hard-liner in the governing party, has started a campaign to win the party's presidential nomination for the election next year.

Until now, the party's unwritten rules allowed the sitting president to pick his successor, a practice that President Ernesto Zedillo has promised to scrap. Mr. Bartlett was governor of Puebla state until his term ended Monday. (Reuters)

Clinton Will Meet 2 Latin Presidents

WASHINGTON — President Bill Clinton will meet Friday with Presidents Alberto Fujimori of Peru and Jamil Mahuad of Ecuador to support a peace agreement the two nations signed in October.

The two presidents will be in Washington seeking global aid for a 10-year development plan for their Andean border, which was most recently the scene of fighting in 1995. (Reuters)

For the Record

Yasser Arafat affirmed Wednesday his intention of carrying out the stalled West Bank peace accords with Israel. The Palestinian leader spoke after talks in Washington with Secretary of State Madeleine Albright. (AP)

SEEDS: Gene Owner Accuses Farmers of Piracy in Landmark Case

Continued from Page 1

produce food with enhanced nutritional value, providing a potential boon for the world's malnourished people.

"This is part of the agricultural revolution, and any revolution is painful," said Karen Marshall, a spokeswoman for Monsanto in St. Louis, Missouri. "But the technology is good technology."

A visit to Monsanto's 210-acre (85-hectare) biotechnology complex, 25 miles (40 kilometers) west of St. Louis, offers ample evidence of how difficult and expensive it is to develop new and useful varieties of gene-altered seeds.

It is the largest biotechnology research center in the world, with 250 separate laboratories, 100 room-sized plant growth chambers whose climates can be controlled from researchers' home computers if necessary, and two acres of greenhouses arrayed on the main building's enormous rooftop.

It was here that company scientists took a gene from a bacterium that produces an insect-killing toxin called "Bt" and transferred it to corn, cotton

and other crops to make plants that exude their own insecticide. Here, too, researchers gave crops a gene that allows them to survive Monsanto's flagship weed killer, Roundup, which normally would kill them.

Monsanto estimates that it takes 10 years and about \$300 million to create commercial products such as these. For every new kind of engineered seed that makes it to field trials, 10,000 have failed in the development pipeline, officials say. To recover this huge investment, the company has opted not to sell its engineered seeds in the traditional sense but to lease them, in effect, for one-time use only — and to go after anyone who breaks the rules.

It wasn't always this way. Until about a decade ago, crop and seed development in the United States and abroad was mostly a government business.

In the United States, the Agriculture Department, in conjunction with land grant colleges and local agricultural extension agents, developed, tested and distributed new varieties of seeds. Under that system, patents were infrequently

pursued and rarely enforced. And seed saving and trading were commonplace. That began to change in the 1980s when Congress adopted legislation that encouraged federal agencies to cooperate more closely with the private sector, in agriculture, that meant private seed companies could profit handsomely by selling seeds that were developed in large part with taxpayer dollars.

Today, a handful of American and European agricultural companies control a major portion of the world's certified food seed supply. Monsanto is the king of them all.

This year, about half of the 72-million-acre U.S. soybean harvest is expected to be genetically engineered to tolerate Monsanto's Roundup. More than half of the 13 million acres of U.S. cotton will be engineered as well, as will be about 25 percent of the nation's 80 million acres of corn, either for Roundup resistance or to exude Bt.

"Farmers are going bonkers for these crops," said William Kosinski, a Monsanto biotechnology educator. "They've been very well received."

Short Takes

As historians learn more about the history of slavery, the new knowledge is being incorporated in museums, exhibits and tourist attractions to form a more complete picture.

At Monticello, the Virginia home of President Thomas Jefferson, recent evidence that Jefferson fathered at least one son by a slave, Sally Hemings, is attracting an increasing number of black visitors. The role of slaves there is being described more fully. "There were six white people on the plantation and 200 African slaves," said James Horton, a member of the Monticello advisory board. "You can't tell me those six whites affected the hundreds of slaves and weren't affected themselves by the slaves."

In recent years, officials at Colonial Williamsburg, in Virginia, have hired actors to reenact slave auctions, complete with black families being split and sold at market.

For Boston city employees who feel blue, help is a phone call away. The city has installed a "mood meter," an automated phone system that screens for depression. Callers listen to recorded descriptions of how they feel ("I get tired for no reason") and are asked how often they feel that way. Callers punch the corresponding digits, then hear a recorded diagnosis that urges severe cases to get counseling.

What is not clear is how this helps with the stress that can come

from dealing with telephone recordings.

In Aberdeen, South Dakota, a would-be robber was foiled by his own cologne. Jerold Nissen of Aberdeen wore a Halloween mask as he entered the town's casino Nov. 4 with a loaded gun. When he announced the robbery, a casino clerk recognized his cologne ("Vegas Nights") as that of a regular patron and addressed Mr. Nissen by name. His joke, she told him, was not funny.

So he put the gun away, took off his mask and sat down to play at a lottery machine. There it would have ended had casino officials not noticed the next day that the phone lines had been cut. A search of Mr. Nissen's truck turned up the mask, a gun and wire clippers.

Mr. Nissen has been sentenced to seven years in prison. The surest sign that women have arrived as power brokers in the Washington state Senate, some say with a chuckle, came when they took over the biggest bathroom off the Senate chamber. If bathroom control is the barometer of power, bathrooms in some other states could be changing hands.

The Washington women's power play was made possible by their 2-to-1 majority in the Democratic caucus. Overall, Washington state has the country's highest percentage of female legislators — 41 percent, with 60 of 147 seats.

Brian Knowlton

AMERICAN TOPICS

Women Sing Out for More Men on the Campus

At the University of North Carolina-Chapel Hill, a campus where 6 of every 10 students are female, a singing group has had to advertise for male voices, posting signs that declare, "Real Men Sing Loud!"

In colleges across the country, a dearth of male students is becoming ever more apparent. This year, women are expected to earn 57 percent of all bachelor's degrees, up from 43 percent in 1970 and 24 percent in 1950. By 2008, the government projects, women will outnumber men in undergraduate and graduate programs by 9.2 million to 6.9 million, according to U.S. News & World Report. What is behind the trend?

A booming economy, to begin with. Male high-school graduates, much more than females, have been succumbing to \$30,000 starting salaries in fields like air-conditioner maintenance and Internet Web design. Meanwhile, females may reach their senior year of high school with better grades and a clearer sense of the future.

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EUROPE

Russia Urges U.S. to Help Fix Computers for 2000

Compiled by Our Staff From Dispatches

MOSCOW — Russia conceded Wednesday that it needed up to \$3 billion to correct the Year 2000 computer glitch — six times its original estimate — and it appealed to the United States to help fix Russian computers controlling nuclear weapons.

Overwhelmed with obligations to pensioners and foreign creditors, Russia's government has long played down the cost and urgency of confronting the so-called millennium bug, which could destabilize computer systems that control its nuclear arsenal, the world's second largest.

The cost is staggering in a country so short of money that its draft budget for this year foresees just \$21 billion in government revenues.

On Tuesday, the United States warned that Europe could face a natural gas shortage if its largest supplier, the Russia giant enterprise Gazprom, failed to eliminate the computer millennium bug in its system.

George Tenet, the director of Central Intelligence, in testimony before the Senate Armed Services Committee, warned that the Y2K bug could interrupt energy flows "in certain countries."

He cited Europe as a potential victim of the millennium bug because it receives "more than one-third" of its natural gas from Russia.

Last year, officials estimated Russia would need \$500 million to make certain that older computers did not interpret the "00" appearing at midnight next Dec. 31 as 1900 rather than the new millennium of 2000.

But the old sum was announced before a thorough review of the problem, said Alexander Krupnov, chairman of the Central Telecommunications Commission.

After the first extensive study of government agencies facing potential computer failures — those that control military facilities, oil pipelines and airports — Mr. Krupnov raised the estimate to \$2 billion or \$3 billion.

And with just 330 days to go before the changeover, Mr. Krupnov said each agency was responsible for finding funds to solve the problem. "Now they're seeking their own sources of financing," he said.

He made no suggestions where the cash might come from, but he did appeal to NATO and the U.S. Defense Department to consult with Moscow on the problem.

In his testimony Tuesday, Mr. Tenet made these other points:

• "There is no doubt that China has the potential to affect our security posture in Asia, but the extent to which its ambitions and growing capabilities represent a challenge or threat to U.S. interests is still an open question."

• "China is increasing the size and survivability of its retaliatory nuclear missile force, even though it is unlikely to make the resource commitment needed to approach the force levels of either the United States or Russia."

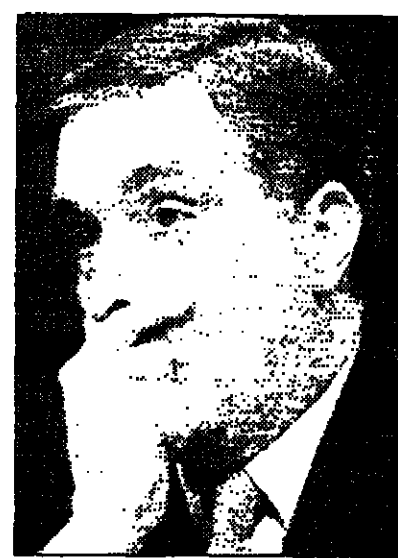
quiring air and naval systems intended to deter the United States from involvement in a Taiwan Strait crisis and to extend China's fighting capability beyond its coastline.

• "In nearly all respects, the situation here has become more volatile and unpredictable."

• "Fresh signs of social decay have increased our concern about stability in North Korea. Crime and indiscipline are commonplace even in the military and security services."

• "North Korea remains a serious military threat, despite dire economic conditions... Pyongyang continues to devote considerable resources to its main-line military, which can still initiate a full-scale war on the peninsula and inflict massive damage on South Korea and the 37,000 American troops deployed there."

• "India and Pakistan continue to have fragile governments committed to potentially destabilizing nuclear and missile programs. Both India and



George Tenet, director of central intelligence, sees Year 2000 risks.

Pakistan continue to resist curbing programs to escape economic sanctions. Further tests are a distinct possibility and testing of advanced new missiles seems a certainty. (AP, AFP, Reuters)

France Seeks Changes in EU's Plan to Add Members

By Barry James
International Herald Tribune

BRUSSELS — France threatened the European Union's enlargement plan Wednesday by demanding changes in the Amsterdam Treaty that provides the basis for adding as many as 10 countries in Eastern and Central Europe plus Cyprus.

A French spokesman said the government would insist on a supplementary clause and insist on reforms in the EU's institutional structure before completing the enlargement process.

The French shift followed German warnings that no date could be set for enlargement until the EU achieved a radical reform of its budget, to which Germany is a large net contributor.

The budget reform, which also requires sweeping changes in the EU's agricultural and structural funding policies, will be the subject of summit meetings in Bonn this month, Berlin next month and Cologne in June.

A joint parliamentary assembly in Versailles last month amended the French Constitution to allow the government to cede sovereignty to the EU under the Amsterdam Treaty, including placing immigration policy in the hands of the Union. The French National Assembly and Senate are scheduled to take up the Amsterdam text next month.

Of the EU's 15 members, only France, Belgium, Greece and Portugal have not yet ratified the treaty, which requires unanimity.

The spokesman said the French government would call for specific changes in the composition of the European Commission, the EU's executive body, and a different weighting of votes in the European Council representing member governments.

The treaty "does not take account of the wish by the government and many deputies to affirm the need for an institutional reform in the EU before its planned enlargement," the spokesman said.

Any changes to the treaty would require the assent of all member countries and could mean its resubmission to the parliaments of countries that already have ratified it. The spokesman said France's position was not isolated: Italy and Belgium also have called for institutional changes before the EU could expand, he said.

France's position reflects the widely held view in the EU that institutions that were created for six original members in the 1950s are ill-suited to a union of as many as 26 countries.

The EU has begun enlargement negotiations with Poland, Estonia, the Czech Republic, Hungary, Slovenia and Cyprus. Five other countries — Slovakia, Bulgaria, Romania, Lithuania and Latvia — are awaiting membership at a later stage.

The Amsterdam Treaty links the enlargement process to the need for reform of EU institutions, but the French government says the wording is vague and insufficient.

To accommodate the new members, the treaty requires countries that have two representatives on the 20-member European Commission to give one up.

For Kosovo, U.S. Considers 'Relatively Small' Force

The Associated Press

WASHINGTON — Defense Secretary William Cohen told Congress on Wednesday that the administration might commit a "relatively small" U.S. ground force to Kosovo, but only if a firm peace agreement is reached between warring factions.

Other NATO members should make up the majority of such a force, he said.

Pressed by senators on the likely size of the U.S. contingent, General Henry Shelton, chairman of the Joint Chiefs of Staff, suggested that a maximum of 2,000 to 4,000 U.S. troops might be required if NATO decided on an overall force of 20,000.

But, he told the Senate Armed Services Committee, those numbers were hypothetical.

"The numbers are still being worked," he said. "The numbers that we would be asked to give would depend on what the final numbers are."

Still, General Shelton told the panel he had "no doubt" that the United States would be asked to contribute such a force.

Ethnic Albanian rebels in Kosovo have agreed to participate in peace talks demanded by the United States and its NATO allies as pressure increased on the hard-line government in Belgrade to join the talks. NATO has threatened air strikes if Serbia and the rebels are not negotiating by Saturday and closing a peace deal by Feb. 19 under talks organized by the United States and five European powers.

"There would have to be a real agreement, not something that is illusory, not something that has the appearance of being an agreement, but would allow our people — should we have people on the ground — to be caught in the cross-fire between the warring and ethnic factions," Mr. Cohen testified.

His testimony came a day after George Tenet, the director of central intelligence, told the same panel that NATO troops would be needed to prevent wider warfare between rival factions in Kosovo even if a peace agreement was reached.

"I cannot and would not support any notion of NATO trying to make an intrusive invasion into Kosovo to establish a peace or to make a peace," Mr. Cohen said. "That would be unwise in my judgment."

Mr. Cohen told the panel that he could support sending U.S. troops to Kosovo only if an agreement providing for a cease-fire from three to five years was put in place.

He promised to consult with Congress before committing U.S. troops. "We can't really size the force until we've got an agreement," he said. "We're not there yet."

Mr. Cohen added that the Pentagon was coming to Congress to discuss the issue while it was still in the planning stage. "That's the reason why we're starting this process now," he said.

■ **West Steps Up the Pressure**

Western powers stepped up diplomatic and military pressure on Yugoslavia on Wednesday to attend the peace talks in France, Reuters reported from Pristina, Serbia.

Separatist guerrillas of the Kosovo Liberation Army said Tuesday that they would attend. But President Slobodan Milosevic of Yugoslavia has held back. The Serbian Parliament is expected to vote Thursday on whether to send delegates to Paris.

The European Union's envoy to Kosovo, Wolfgang Petritsch, urged the Yugoslav and Serbian governments in Belgrade to come to the talks, which have been called by the six-nation Contact Group of major powers that handles Balkan diplomacy.

The U.S. envoy Chris Hill was also due in Belgrade and was expected to meet late Wednesday with President Milan Milutinovic of Serbia, another diplomat said.



RUSSIAN ON TRIAL — Flanked by his lawyers, Alexander Nikitin, center, a former captain in the Russian Navy, at a news conference Wednesday in Moscow. He is accused of giving information to a Norwegian environmental group about safety problems of Russian nuclear submarines in the Arctic.

GERMANY: Far Right Sees an Opening in Debate on Citizenship

Continued from Page 1

chairman of the Christian Democrats, Wolfgang Schäuble, and Edmund Stoiber, the chairman of its Bavarian sister party, the Christian Social Union, Mr. Schäuble noted "with satisfaction" that their petition embraced Republican positions on "foreign policy."

Mr. Schäuble invited the Christian Democrats to a "common front" on immigration issues as a "logical consequence of the petition drive."

A spokesman for the Christian Democrats in Bonn rejected the appeal. But the letter from Mr. Schäuble is only the most recent showing of the far-right in the affair. Riding on Christian Democratic coattails, the Republicans launched their own petition drives, often placing their stands near those of the Christian Democrats.

Ignoring the furor, Chancellor Gerhard Schröder vows to press ahead with an overhaul of the 1913 nationality laws. Under pressure from the Greens, Mr. Schröder's cabinet drafted plans that would let as many as half of the 7.3 million long-term residents who are not citizens become Germans. A large portion of those are the 2.1 million resident Turks, many of whom arrived decades ago as "guest workers."

Current laws make ancestry the main determinant of who is German. Germans living abroad get full rights, while children born in Germany to foreigners are denied them, even if they have never lived anywhere else. The new law would lower the barriers to those without German bloodlines, cutting bureaucracy and shortening the minimum time of residence to eight from 15 years before a foreigner could apply for citizenship.

Mr. Schröder attacked the conservatives for whipping up fears. "This debate is incredible," he said. "Anyone who wants German citizenship will have to swear an oath to the constitution. Criminals will not be naturalized."

The most explosive feature of the

plan allows foreigners to become Germans without renouncing prior nationality. In effect, for the first time, newly naturalized Germans could hold two passports.

Conservatives argue that this would split allegiances and hinder integration by leaving millions of new Germans with divided loyalties. "It is not a real decision if they can keep their old passport; it is a half decision," one Christian Democratic leader said.

Mr. Schäuble says dual citizenship will spark resentment of those who hold it.

Mr. Stoiber, who is pushing for a referendum on dual citizenship, said the reforms could invite the Turkish-Kurdish conflict to German soil by attracting more foreigners. He estimated that the danger to German security would be greater than that posed by the leftist terrorists in the 1970s and '80s.

The issue divides Germans along generational lines more than by party affiliation, said Tom Koenigs, leader of the Greens in the state of Hessen and a supporter of dual citizenship.

"It is incomprehensible to younger Germans to think that someone has divided loyalties," he said. "Germans today have only a weak attachment to the notion of a nation. Schäuble is going back to German national roots of the '20s and '30s."

The Christian Democrats are unwilling to say how many signatures they have collected or how many they think they need to weaken Mr. Schröder.

But already there are signs that the tactic could backfire. A better reading of the public mood could come Sunday during state elections in Hessen, where dual citizenship has become a burning issue. If the conservatives lose, as nearly all polls suggest, Mr. Schäuble is bound to lose authority in his own party.

But a spokesman insisted that the petition drive would continue in any case. Peter Struck, Mr. Schröder's parliamentary leader, said that would only play into the hands of the far-right parties. "They are going to have to ask themselves if they know what sort of spirits they are awakening," he said.

ITALY: EU Says It Should Revise 'Over-Optimistic' Budget Plan

Continued from Page 1

lower-than-expected growth in 1998 and 1999, Italy risked missing its projected targets for public deficit spending, which should not exceed 3 percent of gross domestic product under the criteria laid down by the Maastricht treaty.

Growth in Italy has slowed because of the expiration of a government program to encourage car purchases and as the economic crises in Russia, Asia and Latin America have hurt Italian exports.

At the same time, the commission said it would step up its investigation into Italy's plans to inject 120 million euros (\$136.1 million) worth of state aid into the auto manufacturer Fiat SpA.

The director general of the Italian Treasury, Mario Draghi, told the EU's Economic and Financial Committee on Wednesday that the scenario to be presented next week would assume lower growth and interest rates and would forecast a public deficit of no more than 2 percent this year, declining to 1 percent in 2001.

To hit the 2 percent target this year amid prospects of weaker economic growth in 1999 may mean that Italy would "have to take corrective measures," said Yves-Thibault de Silguy, the EU commissioner for monetary policy.

The commission concluded that the macroeconomic assumptions on which

Italian forecasts were based "now seem over-optimistic." It questioned forecasts of economic growth of 2.5 percent in 1999 and 3 percent in the following two years. It said it considered "a scenario of economic recovery is plausible, but that growth is likely to be more gradual than assumed."

The criteria for belonging to the currency union state that countries should not have a debt-to-GDP ratio higher than 60 percent, but an exception was made for countries that, while exceeding this target, were moving toward it.

All EU members, whether or not they have adopted the euro, are required to submit their three-year budget plans to the commission.

es Tear Into Self-Image

continue to look for a while," Mr. Amato said. "But there is no question my income will be less than half what I was earning."

Fearful of the social costs that accompany frustration of the sort Mr. Amato is experiencing, the government goes to great lengths to try to keep unemployment figures from rising, providing generous public subsidies to companies to keep workers on their payrolls.

"There is so-called invisible unemployment in corporations today that may become visible in the future, in which case the rate will become much higher than it is now," warned Anna Maria labor minister, at a recent press gathering.

Mr. Amato refused to make any estimates of what the real level would be. "These kinds of figures can drive the uncertainty of the Japanese economy," he said. "I cannot say what figures are," he said. "It's a complex matter."

Although the government has spent upward of \$800 billion to stimulate economic activity, the unemployment rate has climbed steadily.

"But after the measures are implemented, the number of jobs that come open increases a little," said Kazuo Ishihara, an official at the Italian Health Work office. "But the effect doesn't last long, the measures don't really have that much impact."

BRIEFLY

7 Girls in Algeria Are Reported Freed

ALGIERS — Security forces killed 40 armed Muslim extremists and a raised five and freed seven kidnappers in a 10-day sweep in eastern Algeria, the daily El Ach reported Wednesday.

The helicopter-supported army operation, backed by police and village defense groups, also resulted in the seizure of 17 home-made mortars and the destruction of several arm caches, the newspaper said. The security forces suffered no casualties, it added.

Foes Reported to Sign Guinea-Bissau Pact

DAKAR, Senegal — Leaders of the warring sides in Guinea-Bissau signed a cease-fire accord Wednesday, paving the way for hundreds of regional intervention troops to deploy in the small west African state, sources there said.

The rebels' leader, the sacked and exiled General Ansumane Mané, and the head of state, President José Manuel Viana, signed the accord presented by a visiting ministerial delegation into the capital, Bissau.

Hard-Liner Seeks Mexico Presidency

MEXICO CITY — Manuel Bartolomé Díaz, one of Mexico's most controversial politicians and a leading hard-line in the governing party, has started a campaign to win the party's presidential nomination for the election next year.

Until now, the party's unwritten rule allowed the sitting president to pick his successor, a practice that President Francisco Zedillo has promised to end. Mr. Bartolomé has term ended Monday.

Clinton Will Meet 2 Latin Presidents

WASHINGTON — President Bill Clinton will meet Friday with President Alberto Fujimori of Peru and President Rafael Ángel Calderón of Costa Rica to support a peace agreement the two nations signed in October.

The two presidents will be in Washington seeking global aid for a five-year development plan for their countries, which was most recently the scene of fighting in 1995.

For the Record

Yasser Arafat affirmed Wednesday his intention of carrying out the call for West Bank peace talks after the Palestinian leader spoke after the meeting in Washington with Secretary of State Madeleine Albright.

EDITORIALS/OPINION

Herald INTERNATIONAL Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Arithmetic for Kosovo

The United States and its European allies are debating their respective commitments of troops to a possible Kosovo peacekeeping force. It is an interesting question, entailing issues of American leadership and European responsibility. But the most important number is a different one: how many troops and police, if any, Serbia will be permitted to retain in Kosovo.

If this number is high, a NATO force will have to be very large indeed to succeed. But if NATO insists that all Serbian forces must withdraw, then every NATO ally's contribution can be smaller.

Kosovo is a province of Serbia, which in turn is the biggest chunk of what remains of Yugoslavia. Ninety percent of Kosovo's population is ethnic Albanian. 10 percent ethnic Serbian. Since 1989, the Serbian strongman Slobodan Milosevic has imposed an apartheid-style repression under which the majority enjoyed few rights. And for the past year, Mr. Milosevic, using Serbian police and Yugoslav troops, has waged a brutal war against the ethnic Albanian population.

NATO finally has decreed that Mr. Milosevic's massacres and other war crimes have to stop. The alliance understands that continued civil war threatens stability throughout the Balkans, not to mention NATO's credibility. So the alliance is insisting that ethnic Albanians and Mr. Milosevic's government negotiate a quick agreement on Kosovo autonomy. NATO peacekeepers would enforce the agreement for three years or so, after which final decisions on Kosovo's status, whether independence or something less, would be made.

Even as the Clinton administration gingerly discusses such a force with Congress, it is jockeying with European allies on who will bear the largest burden. Military planners believe that a force of 28,000 might do the job, and the British and French are ready to supply about 8,000 troops each. They would like the Americans to deploy about as many. However, the U.S. military is so far talking about a contribution of 2,000.

That would be pitifully few — counterproductively few, in fact. It is fine to urge the Europeans to do more for European peace, and the French and British have said they will deploy troops regardless of U.S. decisions. But U.S. leadership is key. Mr. Milosevic will take more seriously a force with meaningful American participation, and Kosovo Albanians are more likely to believe in such a force and lay down their arms. There is more risk in sending too few troops than in sending too many; the United States should show that it intends to succeed in the mission and protect its soldiers. And if an active U.S. army of a half-million men and women can't find 6,000 troops for this job, Congress should ask the generals some serious questions.

But all of this is academic if President Bill Clinton and his NATO allies do not insist on a Serbian troop withdrawal. As long as Mr. Milosevic's troops are in Kosovo, NATO troops will not be safe and Kosovars will not be able to rebuild their country, nor will they be able to establish the democratic institutions that NATO is demanding. Zero Serbian soldiers — that is the key number for a lasting peace. —THE WASHINGTON POST.

Choice in Mexico

Mexico's passage to democracy remains uncertain and incomplete. Opposition parties now hold a majority in Congress as well as the country's second-most-powerful electoral post, the mayoralty of Mexico City. But Mexico's presidency, where political power is overwhelmingly concentrated, has been controlled without interruption by the Institutional Revolutionary Party, or PRI, for seven decades. That monopoly could well end in next year's elections.

What should definitely end is the traditional system of letting the incumbent president from the PRI choose the party's nominee to succeed him. There is still time to act before the general election campaign begins.

Eight months ago, President Ernesto Zedillo proposed an American-style primary. But he has done little to bring one about. Party officials indicated that a national party convention would be held last year to set nominating rules, but no nominating rules have yet been set. Mexico's two opposition parties, either of which has a realistic chance of

winning the presidential vote, plan to choose their candidates in nominating conventions this fall.

The main contenders for the PRI nomination are Francisco Labastida, now interior minister and a close political ally of Mr. Zedillo, and two state governors, Manuel Bartlett and Roberto Madrazo. Both governors are from the party's old guard and have resisted democratic change in the past. Still, they and others should have the right to a fair and democratic contest for the nomination.

The victorious generals of the Mexican Revolution organized the PRI in the 1920s to keep control over presidential succession. Through hand-picked nominations, unfair campaign rules and occasional electoral fraud, they and their PRI successors proved all too effective.

Recent reforms have made for fairer campaigns and cleaner balloting. The next step should be to introduce fair competition into the PRI's nomination process as well.

—THE NEW YORK TIMES.

Paying Down the Debt

The interest on the U.S. national debt in the last fiscal year was \$243 billion; it made up a seventh of the budget. The president's budget projects that, five years from now, that figure will be down to \$173 billion if the surplus is used to pay down debt in the ratio he has proposed. There would be further reductions thereafter.

The huge interest savings that will result if the debt is reduced are the sleeper in the current budget outlook. They are a principal reason why the surplus is projected to last as long as it is; without them, it would much more quickly disappear.

By the same token, they represent a hidden additional cost if, instead of being used to retire debt, the surplus is "spent" either literally or on a tax cut. The cost of a tax cut, by this measure, is not just the revenue that the government would give up but the higher than anticipated interest it would have to pay on larger than anticipated debt. Increased spending comes with a similar shadow cost.

The president incurred such a cost even in his own budget. He proposed using only about three-fourths of the surplus to pay down debt as a way of reserving it to meet future Social Security and Medicare costs.

The remaining fourth he would use in part for a tax cut to create the "universal savings accounts" with which he would supplement Social Security, and in part for increased defense and

domestic spending. Because not all would be used to reduce the debt, interest costs in the next five fiscal years would be \$24 billion higher than otherwise. The cost through the year 2014 would be \$387 billion.

It was in the Reagan years that the deficit soared to the heights from which the government is only now recovering. The debt quadrupled; interest costs doubled as a share of the budget, from about 7 percent to 15 percent. A sizable share of the present budget is thus the deferred cost of past indiscipline.

The surplus provides an opportunity to reduce that. The effect would be to strengthen the ability of the government to meet its future obligations. Among other things, having lowered the debt, it could much more easily borrow again if it had to. In the meantime, the increased savings would in theory add to economic growth.

The president would not use all the surplus for this purpose. Nor perhaps should he; the country has other needs. But on balance, in our judgment, his budget pushes in the right direction.

Mr. Clinton finessed the cuts that must still be made in long-term Social Security and Medicare costs. But the broad alternative, which is to "consume" in the form of a tax cut what ought to be saved for these and other public purposes, including a sufficient defense, is wrong.

—THE WASHINGTON POST.

The Trans-Atlantic Partnership Needs Tending

By Flora Lewis

DAVOS, Switzerland — A large number of Americans came to this year's World Economic Forum in Davos, and they had a wide variety of backgrounds. With some exceptions, they seemed more distant and disengaged from Europe and the rest of the world than a decade ago.

Business may be globalizing and the world web-weaving, a serious information gap is nonetheless growing, particularly on the American side. The old U.S. Eastern foreign policy establishment has gone, and with it much of the sense that what happens in Europe matters to America. The words of common goals are repeated, but they often cover a remarkable ignorance of and disinterest toward European affairs.

In part this reflects the sheer passage of time, a dominant generation that does not remember the Great Depression and World War II and its aftermath. In part, it is the shift of attention to Asia, first as the mighty miracle of future wealth and now as the threat of spreading crisis. In part, it is the loss of focus on friend versus foe with the end of the Cold War.

The American media have cut back very sharply on foreign news, studies of newspaper and television coverage make clear. And except for a dramatic war situation like Bosnia or Kosovo,

there is now little reporting on Europe. In a few cases, the result showed in startling misconceptions of current and historic fact.

For example, Steve Forbes, the wealthy publisher and presidential candidate, spoke of Charlemagne uniting Europe a couple of hundred years ago and warned that Europe would be torn apart like Yugoslavia if it did not reform its social system and give people more personal control of their money. This was a combination of sheer error and an ideology conservative to a degree no longer conceivable here, which took Europeans' breath away.

Others, well respected in the United States, seemed to think of foreign policy as no more than trade. Many wondered why the Europeans do not just do things the American way, and felt that there was no further need to know about them.

Americans who are informed and convinced of the abiding importance of the Atlantic link are aware of and deeply concerned about this cultural and political unraveling of ties. "It's pathetic, just pathetic," a senior U.S. official said. But nobody suggested doing anything about it.

There is a growing difference in political assumptions now, with militant conservatives vociferous on the American scene and 11 of the 15 European Union governments led by socialists and social democrats.

There are ultra-right-wing parties in Europe, but they are nationalist, not anti-government. Nobody wants to dismantle the welfare state, however much reform may be required.

In the United States, it is not only the right that widens the gap. That old Eastern establishment has come under attack not only from the Midwest and traditional isolationists but also from the left and the "postmodern" intellectuals who reject a special respect for the European origins of Western civilization.

It is the value feud between "I, Rigoberta Menchu" and Shakespeare. A professor explained that American universities still teach international relations but that there has been a shift of content. The emphasis is likely to be on women's studies, or on development problems, issues judged to be politically correct. To learn about how Europe is functioning and evolving as it deals with social problems is "neocolonial" in this view, a regression into the past.

Of course, Europe is still there, even if it has been clicked off some Amer-

ican screens, and its gradually integrating countries remain America's most important partners in dealing with a troubled, unruly world.

The extraordinary transformation of Europe in the past half-century leaves world leaders to worry about peacekeeping on other continents. With the painful exception of former Yugoslavia and remnants of violence in Northern Ireland — the more painful now because they are seen as impermissible exceptions — Europe is at peace and intends to remain that way.

It is of necessity the successful European-American coalition that has a chance to maintain peace, promote living standards and confront the new global agenda of problems facing everyone but beyond the capacity of most to resolve.

But that coalition cannot just be government-to-government tending. There must be sustenance and support from the various communities of civil society, from the centers of learning, from the sheer interest, curiosity and will of people to know about each other and learn from each other's triumphs and tragedies.

The American-European connection is too important to let it just wither from ignorance and inattention.

Flora Lewis.

Puzzle in India: Share Power Soon or Await Elections?

By James Manor

NEW DELHI — A struggle for political power in India is intensifying. The outcome is likely to determine not just the immediate survival of the Hindu nationalist-led government, but also the long-term fate of the opposition Congress Party.

The coalition government led by the Bharatiya Janata Party is in danger of collapse through a parliamentary vote of no confidence in the next few weeks. Even if it survives in the short run, its ineptitude and the squabbling within the coalition make it unlikely to last for more than a year or so.

The Congress Party, the largest force in opposition, is eager to bring the government down, but it faces a painful dilemma. The strategy that best serves its long-term interests could keep the BJP in power for quite some time.

If the BJP government should fall, Congress must choose between taking power soon by forming a new coalition government in the present Parliament, or going straight into an election for a new Parliament. Most Congress members prefer to take immediate control. That would give them instant access to political spoils that they are eager to command as soon as possible.

After governing India for 44 of the 51 years since independence, Congress politicians feel deeply uncomfortable in opposition, cut off from the sources of political patronage that are the party's lifeblood.

Their leader, Sonia Gandhi, the Italian-born widow of Prime Minister Rajiv Gandhi, disagrees. She sees that if an election is held after the present government collapses, her party would gain many seats as a result of a popular backlash against the BJP. That would

probably not give Congress a majority in the new Parliament, but it would be in a much stronger position than now.

Such an outcome would reverse a long-running decline of the party that many observers see as irreversible. Internal factionalism and corruption have weakened Congress so severely that this may be its last chance to turn things around.

If Congress takes power in the present Parliament, it will limp along at the head of a chaotic coalition. It would have to depend on three very different clusters of smaller parties — the Communist left, a set of

regional parties, and a party that represents lower caste groups in two north Indian states. These three clusters are mutually hostile, because of ideological differences and ego clashes among their leaders.

If Congress tried to lead a coalition of these parties, it would soon be embarrassed by very public squabbles among them. It would swiftly earn voters' scorn, as the BJP has done in recent months for similar reasons. Before long, the Congress-led coalition would disintegrate. At the ensuing election, the Congress Party would suffer a popular backlash

like that which currently awaits the BJP. Its chance for revival would have been squandered.

As Mrs. Gandhi rightly sees, the best option for Congress is to seek a fresh election. But that strategy raises a big problem.

Most of the small parties that might soon withdraw support from the BJP and bring it down want to avoid an early poll. They prefer to join a Congress-led coalition, to retain a grip on power. Their members of Parliament fear that in an early election they might lose their seats. Because they have only held them since early last year, they would not have been in office long enough to qualify for handsome pensions.

Any suggestion from Mrs. Gandhi that she wants an early election makes those parties reluctant to abandon the BJP.

Her best strategy might have been to dissemble — to suggest that she might take power after the BJP falls, even though she intends to go to the polls. But she has lately been sending clear signals that she prefers elections. By doing so, she may have handed the BJP an extension to its political life.

The writer, a fellow of the Institute of Development Studies at the University of Sussex, in Brighton, England, contributed this comment to the International Herald Tribune.

The New Ally for German Business Is Green

By Martin Hufner

MUNICH — Much to their surprise, some German business leaders have found common ground with their erstwhile worst enemy, the Greens, who are emerging as the voice of economic reason in the center-left government in a number of areas.

This stands in contrast with the mood after the September elections, when the victorious Social Democrats brought the Greens into a government coalition. There was grave concern that, once the Greens grabbed a little power, they would push an anti-capitalist agenda.

In fact, the Greens and their pragmatic leader, Foreign Minister Joschka Fischer, are quite fiscally conservative, more so in many ways than the Social Democrats and their finance minister, Oskar Lafontaine.

A Green politician has characterized Mr. Lafontaine as someone "who is stuck in a

totally outdated concept of demand-side economics."

The Greens, for example, oppose various large subsidies for industries such as coal mining.

Reform of the generous pension system is another instance of the Greens' fiscal sense. While the Social Democrats are determined to undo the very limited scaling-back carried out by the previous government, the Greens advocate a firm focus on generational equity. They do not believe that it is wise to add to the financial burden of today's and tomorrow's work force.

For the Greens, "sustainability" is more than an environmental concept, and relates to financial, economic and social policy as well. They believe that if the level of consumption is not sustainable — be it in the form of deficit spending, the overconsumption of state services or

environmental degradation — then policies must change.

The Greens are even sympathetic to the idea that corporate taxes must be revamped to make German business more competitive. Their calculation is simple: Financially weak companies cannot make the necessary investments in technologies to protect the environment. The Greens' persistence with pollution and other problems before other countries did. In fact, environmentally sensitive technologies such as oil reclamation are one of the few areas in which German business can claim a dominance comparable to its strong overall position 15 years ago.

In some cases, it is business that has given due consideration to the Greens' way of thinking, rather than vice versa. Take a party proposal to triple Germany's already high gasoline taxes. Many corporate and financial leaders were aghast.

But one cannot escape noticing that, at the very time the idea was floated, Volkswagen introduced its new Lupo car that is designed to run at 78 miles (125 kilometers) per gallon. From a purely economic point of view, by the time that kind of leap forward in efficiency takes a broader hold in the market place, even a tripling of gasoline prices would not impose an additional burden on drivers.

As advanced industrialized societies, we need to realize that the automobile industry can no longer rely on the "bigger and more powerful" slogans of yesteryear. "More intelligent" will do, as we look forward to improved fuel eco-

nomy and wider use of information technology such as navigation systems.

It is true that at times the Greens' single-mindedness in pursuing their goals has proved highly frustrating to business leaders. In retrospect, however, these tough battles yielded a considerable amount of mutual respect. Even the Greens' more outlandish ideas sometimes make an odd sort of sense.

For example, a while ago, a party leader, worried about the waste of jet fuel, advocated that Germans be allowed to fly to vacation destinations only once every five years. While an example of severe overregulation, the idea makes a point. From the standpoint of global competitiveness, Germans do spend too much time on vacation.

As long as Mr. Fischer manages to steer his party in the right direction, the Greens' anti-establishment thinking provides a refreshing element in German politics.

Contrary to all expectations, the Greens have had such a good start in the new government that it has caused Germany's astute chancellor, Gerhard Schröder, to change his own political strategy. Rather than letting them occupy the center ground in German politics, he is co-opting them with them to put an effective check on the Social Democrats' left wing, which has so far resisted reforms.

In working more closely with the Greens, Mr. Schröder may be readying Germany for the changes it needs.

The writer, chief economist of the Munich-based Bayerische Vereinsbank, contributed this comment to The New York Times.

A Bubble Question Unanswered

By Floyd Norris

NEW YORK — Bubble talk is back. From Davos, where Microsoft's Bill Gates was expressing bewilderment as to why people would pay so much for Internet stocks, to Washington, where Alan Greenspan, the Federal Reserve chairman, questioned overall stock prices but said that some Internet companies might be good investments even at current prices, people are talking about investment bubbles that might burst.

"Bubble" is a pejorative term for an investment whose price rises and rises and then collapses. It is widely agreed that just such a thing happened to Japanese stock and real estate prices in the late 1980s, and that Japan has yet to recover.

Unfortunately, talking about bubbles is easier than spotting a real one, and it is even more difficult to know when one will burst.

Charles Kindleberger, the economist and author of "Manias, Panics and Crashes," the definitive academic study of such things, thought he saw a bubble in America's stock market a few years back. "I agreed with Greenspan in 1996 when he talked about irrational exuberance, and the stock market is up 50 percent since then," said Mr. Kindleberger, now retired from the Massachusetts Institute of Technology. "I'm still looking to see what would come up suddenly to keep the lemmings from running. Where is the cliff they will run over?"

Bubble talk now tends to deal with two related but separate phenomena. Has the overall level of American stock prices got away from economic reality? Is it possible that Internet companies will someday earn enough to justify the lofty peaks that their stocks reached last month? Some dismiss all such talk as nonsense. Markets are rational, they say, so bubbles cannot exist. Even the Dutch tulip bulb boom now has academics who argue that it was rational.

That argument, however, does not give sufficient weight to the role of psychology in investing. "There is nothing," Mr. Kindleberger has written, "so disturbing to one's well-being and judgment as to see a friend get rich."

In any period of speculative excess, those who urge caution are discredited well before the bubble bursts.

In 1720, Sir Isaac Newton invested in the South Sea Company, whose dreams of profiting from exploration made it into a classic bubble. Realizing that prices had gone crazy, he sold at a profit, explaining, "I can calculate the motions of heavenly bodies, but not the madness of people." But prices kept rising, and Newton bought again, at the top. He suffered huge losses.

Peter Bernstein, an economic historian and consultant to money managers, is one who thinks that the Internet stocks are in a bubble, but that while the stock market as a whole is overvalued it is well short of one. What is the difference?

"A bubble is totally out of touch with reality, where the greater-fool theory is the dominant driving force, where you are totally confident that somebody will be willing to pay higher prices no matter what you pay," he said.

Nonetheless, said Mr. Bernstein, the most remarkable thing about this period is "the really broad acceptance of the idea that nothing bad is going to happen to the U.S. economy." He does not remember people feeling this way even in the late 1960s. The economic decline that ended in 1969 lasted almost nine years, the only one in American history longer than this one, which began in 1991.

Mr. Greenspan warned last year that America could not long remain an island of prosperity, but it has. When he voices concern about stock prices, there is little market reaction, in contrast to 1996.

If there is a bubble, what will happen when it is pricked? The histories of Japan in the 1990s and the United States in the 1930s argue that bursting bubbles devastate economies.

But it does not have to be that way, particularly if the bubble is confined to the Internet stocks. Mr. Bernstein compared this boom to 1961, when investors flocked to space technology companies amid expectations that space would bring untold riches. Those stocks collapsed with the overall market in 1962, but no recession ensued and most stocks recovered.

The New York Times.

Herald INTERNATIONAL Tribune

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TribTech

Pill on a Chip Could Aid Patients and Doctors

By John O'Neil
New York Times Service

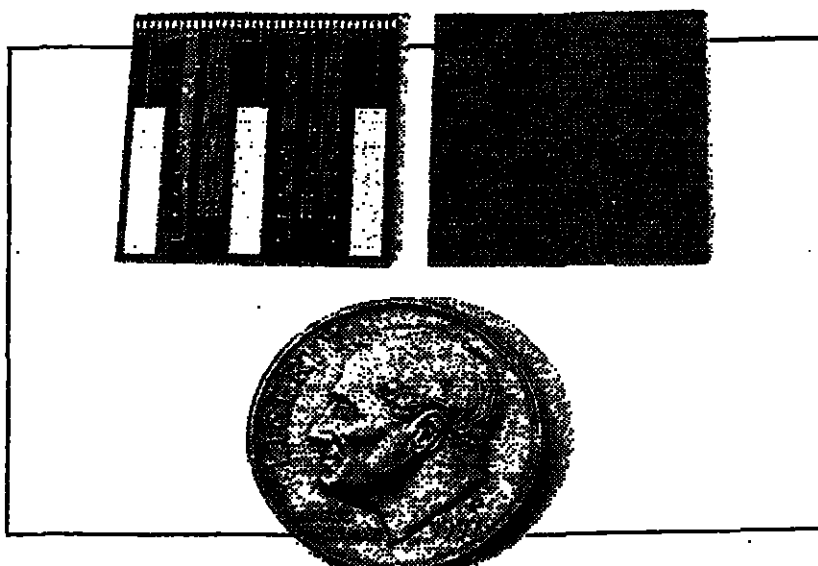
NEW YORK — Pills are simple: Their coatings dissolve, and medicine travels throughout the body. In recent years, some surgeons have begun using a more targeted delivery system, implanting tiny vials of potent medicine directly into tumors, where it seeps out gradually.

Now, engineers from the Massachusetts Institute of Technology have built a prototype of something far more sophisticated: a kind of microchip, a silicon chip the size of a small coin that could release a combination of drugs on a preprogrammed schedule or by remote control.

Dr. Robert Langer, a chemical and biomedical engineering professor, and Dr. Michael Cima, a material sciences professor, previously came up with a way of using ultrasound technology to deliver some medicines through the skin without breaking the surface, a process now in clinical trials.

Working with a chemical engineering graduate student, John Santal Jr., they turned to the question of devising a delivery system that would offer physicians greater control over dosage and timing.

In research described last week in the journal *Nature*, they made use of techniques already developed for the manufacture of computer chips to carve a compartment with a volume of 25 nanoliters — about a quarter of one grain of



On the front of the microchip, at left, the dots between the larger bars are the caps covering the reservoirs that hold the medication, which is put in through the larger openings on the back, shown at right.

salt — out of a silicon wafer.

Devices that work on the same principle as ink-jet printers can, with computer guidance, fill those compartments with doses of medicine as low as two nanoliters, Dr. Langer said.

The harder part was figuring out what kind of a cap to put on that compartment

— a lid that could be removed on command using a kind of remote control. They made the covering out of a gold membrane, a mere three-millionths of a meter thick, surrounded by a chloride solution.

That is strong and stable enough to hold in the dose — except in the pres-

ence of an electrical charge. "Apply a little voltage," Dr. Langer said, "and the gold will dissolve into a gold chloride solution; now the cap is off, and the contents can come out."

Dr. Langer said much work remained to be done to go from this "proof of principle" prototype — a model meant to show that the concept could work — to actual use.

In particular, they would like to find biodegradable materials, which would allow a device to be implanted and then left to dissolve after use.

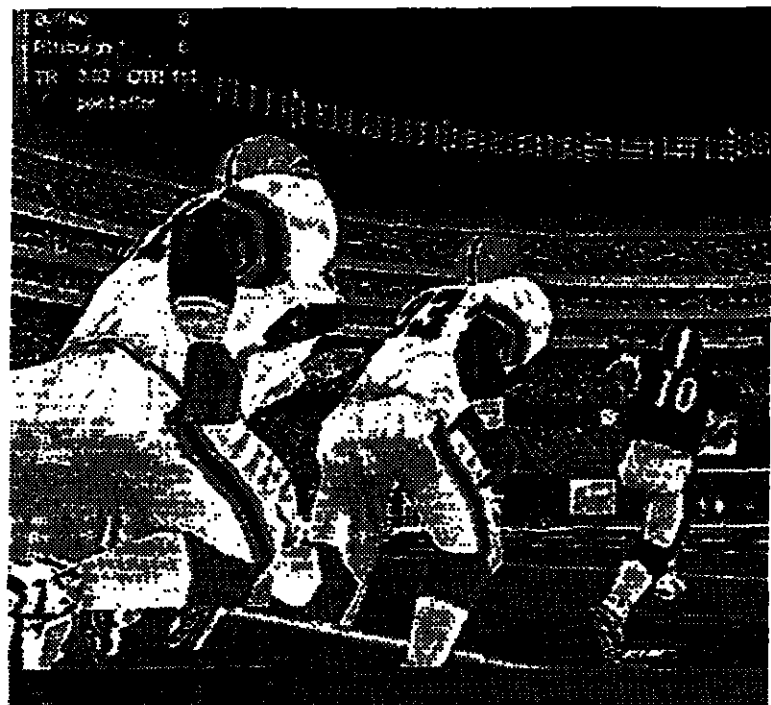
HE ACKNOWLEDGED that a crucial question would be determining when using such a complicated device would be worth the trouble. "Any type of implant wouldn't do for a cold but would for cancer," he said.

Some implants already being used with cancer patients can deliver tiny dosages. "But they don't offer the kind of control for multiple drugs or different release patterns," Dr. Langer said.

And in coming stages of research, they hope to combine the chip with microbatteries and biosensors, to make a device able to react to changes within body tissue.

Looking down the road, Dr. Langer envisions a wider range of uses. "They could be swallowable," he said. "Right now a lot of elderly patients have to take five or six drugs at different times of day. You might be able to take a single pill and put all the different dosages inside."

ALT / Commentary



Buffalo Bills defenders chasing a Pittsburgh Steelers quarterback in Sierra's glitchy NFL computer game, which was taken off the market.

Consumers Win a Game
In a Rarity, Software Firm Offers a RefundBy John Burgess
Washington Post Service

WASHINGTON — Applause, please, for the computer-game maker Sierra Inc., not for creating a lousy one of software, but for creating a lousy one and owning up to it.

Last month, citing "errors in the program's code," the company recalled all of the nearly 50,000 copies of the NFL Football Pro '99 game it had shipped.

Stores were told to take the game off the shelves; anyone who had bought one (it had a suggested retail price of \$29.95) was offered a full refund and a free game, or patches and a discount on the next version.

The company's president, David Grenewetzki, all but flattered himself in public.

"I want to apologize to all our loyal customers for releasing a product before it was ready," he said. "We let the impending end of the football season influence our decision process. We dropped the ball."

When I first saw the announcement, I assumed that the game was a complete bust; you'd try to run it and it would balk, or it would erase everything on your hard drive. But it turns out the problems are more subtle than that. The game runs, but it can do some cockeyed things, such as miscalculate statistics for the on-screen teams in certain circumstances, or have a quarterback throw right when he's looking left, or leave holes in the defensive backfield that no real team would allow.

"It's a series of issues that range from polish to performance that collectively make it much more than an annoyance to the customer," said Sean Gleason, the company's director of marketing.

Like his boss, Mr. Gleason went out of his way to be contrite. But, truth be told, we're not talking about your hard drive getting trashed.

What he described sounded a lot like the quirks that many software companies treat as par for the course in a new release. Ignore them, patch them, fix them next time around. But whatever you do, don't concede that the customer has a beef worthy of a refund.

We don't accept that a television set sold to us is only a work in progress, nor a car, nor a pin-striped suit. We expect them all to live up to the promises and to get our money back if they don't. Yet the software industry makes us treat its shortcomings differently.

Maybe Sierra's decision is the first step toward software companies taking the same responsibility for their products that just about every other industry does.

Not likely, actually. In the software industry, there's an explanation-justification-rationalization that is just too strong to be over-

come by one company's action.

It goes like this: Software is too complicated to ship without a major collection of bugs. Bugs are so insidious and skilled at hiding that many only become known over the course of long use by large numbers of people.

Customers should just understand that, the companies feel.

So you can imagine how tough a decision this must have been for Sierra. On the one hand, no company wants the embarrassment and cost of a recall; yet it had established a solid reputation in football simulation for years, competing with the John Madden line of games from Fox Sports, and wanted to hang onto that.

The version in question was a ground-up rebuild that the company launched about 18 months ago. Like most software development projects, this one fell behind schedule.

The marketing people had aimed for a release timed to the late-summer start of the football season. Mr. Gleason said. That deadline was not made, and the weeks went by, with the development team rushing to get things ready. The holiday season came and went; still no game on the market.

Software sales, especially for games, are very seasonal. If you miss the time of the year that's relevant to your product, you're in big trouble. So someone in Sierra made the decision to push the game onto the market in the final days of the football season — it reached the store shelves in the last week of December.

The complaints started coming in quickly. Through postings on the company's Web boards, the message was delivered loud and clear that something was seriously wrong. Mr. Gleason said. There were problems no one in the development team had known about. On Jan. 20, the company bit the bullet and issued the recall.

Owners can get a full refund, plus a credit for a purchase of another Sierra game at \$30 or less.

For those who opt to keep the game, Sierra has established what it is calling the Football Pro Home Team. Members get patches to fix deficiencies in the program and a \$20 rebate toward purchase of NFL Football Pro 2000, the next version of the game, which Sierra hopes to get on the market in August — but swears that it won't go out until it is ready.

Full details of the recall are available by calling 1-800-757-7707 in the United States.

So, was anyone disciplined at the company about this? "There have been some changes made," said Mr. Gleason, offering nothing more.

Perhaps someone should get into trouble — but someone else should get a medal.

John Burgess's e-mail address is: burgessj@washpost.com.

Patented Ways
To Advertise
In CyberspaceBy Teresa Riordan
New York Times Service

NEW YORK — The basic premise of CyberGold, an electronic commerce company in Berkeley, California, is that the best way to get consumers to read Internet advertisements is to pay them to do so.

It finds advertisers willing to pay people who sign up at its World Wide Web site (www.cybergold.com) and look at the ads. It then compensates consumers who demonstrate in some way that they have read an ad by crediting an account in the consumer's name; amounts range from 50 cents for downloading America Online Inc. software to \$100 for referring a new, paid-up subscriber to the At Home Internet service.

CyberGold recently received its second patent covering this idea. The company's patents also cover two other intriguing approaches to advertising in cyberspace.

The first is a way for consumers to store direct-marketing information about themselves on their computers — like their income bracket, ZIP code, hobbies and profession — so they can be compensated every time they release such information to advertisers.

"The notion here is that the information about you belongs to you and doesn't belong to anybody else," said Nat Goldhaber, chief executive of CyberGold. "And you can decide when you release it and whether you want to be paid for it globally or on an ad hoc basis."

The patents also cover a way of turning conventional advertising-based publishing on its head. In Mr. Goldhaber's patented Internet publishing system, on-line authors or other creators of on-line content would not be paid a set fee by a publisher. Instead, they would receive a tiny commission from each new reader, who in turn has been paid to read an accompanying advertisement. CyberGold would act as a clearinghouse for these transactions, effectively cutting out the role of a publisher.

"First you get paid to see the ads and then you use that to pay for the content," he said. "You change the flow of money. But you don't change the basic setup, which is that advertising supports publishing."

Mr. Goldhaber said this type of patent, known as a business-method patent, empowers people who want to self-publish or consumers who want to be compensated for their time. But he and Gary Fitts, co-founder of CyberGold, are coming under fire for having patented these ways of doing business.

Jamie Love, director of the Consumer Project on Technology in Washington, said he would press Congress to conduct hearings on CyberGold's patents as well as other business-method patents. Mr. Love said he disagreed with the idea that CyberGold's system was novel enough to be patented, contending that he had written articles on a similar concept back in the 1980s. "And I didn't consider myself the inventor then," he said. "This is typical of the poor quality of review they give at the Patent and Trademark Office for this sort of thing."

Mr. Love described as "dangerous" the legal monopoly that these patents provide, arguing that politicians would likely use such cash incentives to get potential voters to read their material on-line. "Suppose one candidate in a given campaign were the only one to be given a license to the patent," he said. "He would be the only one who could disseminate information this way."

Mr. Goldhaber conceded that politicians would probably use the system, noting that while it is illegal to buy votes, it is not illegal to pay voters to read political tracts. "Instead of offering a drink down at the bar for coming to a rally," he said, "you can offer a buck and let them go down to the bar and buy their own drink."

On-Line Oasis in Haiti's Cyber Desert
Country's Only Internet Café Attracts Wealthy Elite and ForeignersBy Serge F. Kovaleski
Washington Post Service

PETITVILLE, Haiti — Soft jazz is wafting through the air as several well-heeled people surf the Internet and send e-mail while sipping coffee at computers in a second-floor room tastefully wallpapered in an old-world map motif. At the bar downstairs, where the walls are lined with colorful drawings of the planets, the menu includes cappuccino, espresso, mocha, rum punches and an assortment of American-style snacks.

This trendy, high-tech ambiance evokes images of cybercafés in Seattle, San Francisco or New York. But this one is in Haiti, and it is a striking anomaly in a country where the overwhelming majority of the population of 7 million is impoverished and illiterate and most people have no electricity, telephones or running water.

Haiti's only such café, Computer World, opened in June 1997 in the heart of Petitville, a somewhat upscale town that is home to a large portion of Haiti's small moneyed elite a short drive into the highlands from the grinding poverty of the capital, Port-au-Prince.

The café has found a solid niche among the nation's wealthy but more so among the relatively large number of foreigners who reside here, most of whom work for nongovernmental organizations or the United Nations mission in Haiti.

By using a satellite link, Computer World avoids depending on Haiti's unreliable state telephone service for Internet access and skips other frustrating delays caused by backed-up calls to the country's four local servers.

"When customers come here, they get connected fast; when they walk in, they are on-line," said Jonas Guillaume, 32, a Haitian who started Computer World with \$80,000 he and his two brothers had saved and financial help from their father.

"I could not have a cybercafé if I had to count on phone lines," he said. "After a big rain, for example, you could be without a phone for a month."

Furthermore, it can take years to obtain phone service from Haiti's monopoly, Teleco. Mr. Guillaume, who studied computer science in Montreal, said he decided to open the café after returning



Customers getting on-line at Computer World, Haiti's only cybercafé.

to Haiti in 1996 from West Palm Beach, Florida, where for two and a half years he was unable to find suitable work in the computer field.

"When I came back, everybody among the Haitian elites was talking Internet, Internet, Internet," he recalled. "And so I am starting to ask them how they are getting on-line."

It is estimated that fewer than 5,000 Haitians have access to the Internet via the country's servers; still, limited efforts to expand computer and Internet use in Haiti have gotten off the ground.

The government is trying to develop an "intranet" that would link all its ministries, and a growing number of courses are available to teach people how to use computer systems and on-line services.

On a recent afternoon, Reuben Summerlin, 28, an American who recently moved to Haiti and works for a nongovernmental organization, said the café had allowed him to gain access to his America Online Inc. account regularly and thus do his job better and stay in touch with relatives more easily.

"I would not be as effective at work or have as much contact with my family if it were not for this place," said Mr. Summerlin, adding that he generally came to Computer World every

two days for about 90 minutes.

Others had less pressing reasons for frequenting the café. "If you are not home and you want to check your e-mail, you can just drop by," said Jean Boucraie, 18, a high school student who was born in the United States. "I also like it," he added, "because it reminds me of the States. It is the environment; it is kind of cool. It is different than anything else around Port-au-Prince."

BUT THE CAFÉ is still vulnerable to some of the problems that plague this Caribbean country, the poorest in the Western Hemisphere. Electricity, for instance, routinely fails, a problem that has forced Mr. Guillaume to buy a generator and an inverter for the café so that incoming e-mail does not get lost. Furthermore, some clients have complained that the computer system can be slow.

Computer World has 150 members, mostly foreigners, who pay dues of \$45 a month, which entitles them to 20 hours of computer use. Nonmembers pay \$4 an hour to use the café, which is open every day. It has eight IBM terminals purchased in Miami, and Mr. Guillaume said it was adding eight more.

CROSSWORD

ACROSS

- 1 Harmful
- 4 Insufficient, as an excuse
- 7 Kind of gun
- 12 Reveals, à la Shakespeare
- 14 Potential C.I.A. problem
- 15 Unequaled
- 16 Amble
- 17 In — (clueless)
- 18 Woman of letters?
- 19 Deal counter order
- 22 Campus groups
- 23 Reproducible in great detail
- 27 In demand
- 28 Lie most
- 30 Dumb click
- 31 Literary monogram
- 32 First name in jazz
- 33 Brave
- 34 It creates a big splash
- 37 Obscure
- 40 Eastern sea
- 41 Jerk
- 44 Entrailed
- 45 Send away
- 47 Capt.'s prediction
- 48 Perdue product
- 49 Retracted reluctantly
- 52 It was first tested in 1952
- 54 "The Wolf in Sheep's Clothing" writer
- 57 Rising locale?
- 58 Adah's spouse
- 59 Totaled
- 60 Hungers
- 61 Mil. education grp.
- 62 Betray
- 63 Scrap
- 64 "Mighty" — a Rose

Solution to Puzzle of Feb. 3

AGAPE SNAP NEST
SIDED POLE ASEA
KROMA ATAN STAG
ADRAMACHITICUS
WEEB SEEN MAMIE
THRESEK PRADO
SEBISTO TIE IN
AMANNHOLEAVES
FLO HEARSE
ELVES NEXTTO
WIEST ALOE OER
NOTURNUNSTONED
SAME ONCE RHINE
ALTE WEIR INTER
GLOW EXES GOERS

DOWN

- 1 Soup served with sour cream
- 2 Hunts, so to speak
- 3 Drill
- 4 Marketing technique
- 5 Skupper Molecs
- 6 Extant
- 7 Kept
- 8 Emphasized
- 9 Former Dodgey Coy
- 10 Richards of Texas
- 11 Formal vote
- 13 Brief moments?
- 14 Sickened
- 16 Honor
- 17 Youngster
- 18 Youngster
- 19 Fingers
- 20 Playing hard to get
- 21 Jersey fabric
- 22 Israelites' pre-Exodus home
- 24 Mogule
- 25 "Mississippi Burning" part
- 26 Is attentive
- 27 Obstacle
- 28 Inflatable item
- 29 1988 Meg Ryan film
- 31 Kind of can
- 32 Leaf apertures
- 33 Carpenter's aid
- 34 Night sport?
- 35 Gush
- 36 Editor's concerns
- 37 Breaker, maybe
- 38 Surpassing in rank
- 39 Line made with a compass
- 40 Keen perception
- 41 — Cat

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**FOR INVESTMENT
INFORMATION**
Read THE MONEY REPORT
every Saturday in the IHT.

TECHNOLOGY INDEX

Technology stock indexes around the world:

North America	Tuesday close	Pct. change previous week	Pct. change year to date
Pacific Exchange Tech	500.85	+1.50	+11.50
S&P Tech Composite	1,331.60	+13.99	
Europe			
Morgan Stanley Eurotec	690.82	+13.16	
Asia			
Topix Electric	1,615.00	+4.70	

Source: Morgan Stanley, Bloomberg News

For technology articles from the past week, see TribTech on the IHT's World Wide Web site at <http://www.ihnt.com>. Articles include:

- When Hal Met Sally: Talking Systems Spur Automation of Homes, Jan. 28
- Putting People First: Taiwan's Human-Friendly Technology, Jan. 28
- Noida's Profit Advances 72% As Phone Sales Jump, Jan. 30-31
- Sony Unites Target U.S. Software, Feb. 2
- Small Investors Are Trading On-Line and Driving Market, Feb. 3
- Apple's iMac Contract Goes to LG Electronics, Feb. 3
- Judge Blocks Internet Sex-Sites Law, Feb. 3

To reach TribTech editors or to comment on IHT tech coverage, send e-mail to tribtech@ihnt.com. International Herald Tribune

The bank said the current low prices are the result of the Asian economic crisis and recent production hoarding in the region.

**FOR INVESTMENT
INFORMATION
THE MONEY REPORT**
City & County of the U.S.

in Japan Trade

domestic demand... growth... she said in an interview... "It has not been sufficient... in attempting to export its way out... with the United States."

Mr. Barakovsky said that Europe... also play a part in the... "We urge Europe... with us in maintaining an open... market atmosphere and in lowering... barriers particularly in the... steel and Japanese auto... must play an ever-impor-... in global recovery."

Mr. Aaron simplified out the... and construction sectors as... of what he called Tokyo's... "responsive attitude."

"In steel there has been an... of Japanese exports to the... United States," he said, "and... doesn't stop when they will... trade counter-measures."

Dollar Rise

Federal Reserve Board's decision... leave interest rates unchanged... after policymakers met Wednesday... said that with recent... growth, there is no need to... The Fed would cut rates... the policy council of the... Central Bank meets Thursday... and some speculation... European interest rates could... move lower. This week, central... President Wim Duisenberg said... Bank was not planning to cut its... benchmark lending rate.

The euro has "got problems,"... of Helmut Moritz at New... Management in London... "Growth in Europe is weaker... expected."

for Argentina?

Many car loans and home... mortgages and more than 5... percent of all bank deposits... in dollars, which are a... as easy to convert as... cash in dollars. Most... accept... in place of their blue... and yellow bank notes.

access to the dollar... under Argentina's... which... in the... central... in return for a... dollar loan of one... \$1.

Basic principle is that... currency in circulation... Argentina's government... it up with \$1 in the... bank. It makes the cur-... more resistant to... real, but it also... that Argentina must... on the dollar. Mr. Barakovsky... that the dollar... switch to the dol-... sources close to... government say that po-... could change if Argen-... were subjected to the sort... capital flight that led... Argentina's crisis last month... such a shift is successful... Argentina, many analysts... look to the dollar to pro-... their economy.

of course, would require... Argentina's economy... to the dollar... of Central bank said... when you ask them... would you rather be paid in... or pesos? Suddenly... change their minds... lived through devalu-... and hyperinflation, and... wants to go through... again, even if it means... rid of the peso."

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BMW Board Is Said to Plan Chief's Ouster

By John Schmid
International Herald Tribune

FRANKFURT — Bayerische Motoren Werke AG said Wednesday it had called a special meeting of its supervisory board Friday amid renewed speculation that the German luxury automaker wanted to dismiss its chief executive, Bernd Pischetsrieder.

The newsmagazine Stern has reported that the board plans to replace Mr. Pischetsrieder with either Volker Döpfel, BMW's former chief financial officer and now a supervisory board member, or Wolfgang Reitzle, the com-

pany's director of new-model development, who is a critic of Mr. Pischetsrieder.

A spokesman for Munich-based BMW confirmed a meeting had been called but said "leadership issues are not on the agenda." BMW said the board would hear a review of restructuring efforts at the company's unprofitable British subsidiary, Rover.

Mr. Pischetsrieder has come under criticism since problems surfaced last year at Rover. He has been accused of ignoring Rover's production shortcomings after he led BMW's acquisition of the British carmaker in 1994. Last year,

Rover cut more than 2,300 jobs and had an estimated loss of more than 1 billion Deutsche marks (\$579.6 million). BMW has not yet released Rover's financial report, but more jobs are expected to be cut.

The supervisory board chairman, Eberhard von Kuenheim, whom Mr. Pischetsrieder succeeded in 1993, is thought to be dissatisfied with the chief executive. According to Stern magazine, Mr. von Kuenheim faults Mr. Pischetsrieder for "poor model policy, weak decision-making and a false assessment in the purchase of the British Rover group."

Outside of its Rover operations,

BMW's German operations remain among the most consistently successful in the European auto industry. But it has become the subject of takeover speculation because it has been slow to expand its model lineup while rivals such as Volkswagen AG have moved into BMW's luxury segment and the luxury carmaker DaimlerChrysler AG expanded in cheaper cars.

Another outcome of the meeting could be a new restructuring plan for Rover with new layoffs, analysts said. "I do not expect him to leave," Jurgen Pieper, an analyst in Frankfurt at B. Metzler Sohn & Co. Bank, said of Mr. Pischetsrieder.

The chairman and chief executive, Philippe Jaffre, said the price of crude oil fell about 33 percent in 1998. The company said good results in its refining and marketing, chemicals, and health units helped offset the decline.

Mr. Jaffre also reported that a total of 1.5 billion French francs (\$260 million) was misappropriated at the company from 1989 to 1993.

Elf is involved in a series of judicial inquiries concerning its former chairman, Loik le Floch-Prigent, and a former Socialist foreign minister, Roland Dumas. A former mistress of Mr. Dumas, Christine Deviers-Jouin, has admitted receiving millions of francs to lobby officials. (Bridge News, AFP)

PARIS — Elf Aquitaine SA released provisional figures Wednesday showing that net profit fell to between 1.20 billion and 1.22 billion euros (\$1.36 billion to \$1.38 billion) in 1998, a decline of about 22 percent from 1997.

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SAir Group And Partners Buy AOM

Compiled by Our Staff From Dispatches

PARIS — SAir Group, the holding company for the Swiss flag carrier Swissair, said Wednesday that it had bought 49 percent of AOM, the second-largest French airline, which is being divested by the state-controlled bank Credit Lyonnais.

SAir Group's partners, the French holding company Marine-Wendel and the investment fund Groupe Alpha, bought the other 51 percent of the stock from the Consortium de Realisation, which was set up to sell off Credit Lyonnais's assets. Financial terms of the acquisition, which is subject to clearance from French and European Union regulators, were not disclosed.

Formerly known as Air Outre Mer, AOM provides domestic and international flights and generated more than 4.4 billion French francs (\$760.4 million) in sales last year. AOM, based at Orly Airport near Paris, has 2,400 employees and a fleet of 26 aircraft, soon to be increased to 28 planes with the delivery of two Airbus A340s.

Credit Lyonnais is divesting the unit as a condition of EU approval for multiple injections of aid from the French government. Under the terms of a bailout, Consortium de Realisation has until 2014 to sell assets worth 186 billion French francs.

"This move is a logical step for SAir Group, enhancing efforts to expand, solidify and strengthen its alliance strategy in primary customer markets," the Swiss company said. "By purchasing a substantial equity stake in AOM, SAir Group is significantly strengthening its existing commercial ties with the French airline and laying the groundwork for expansion of this cooperation over the long run."

The company said France was Europe's third-largest travel market and the world's fifth-largest, with more than 53 million passengers annually. AOM also is a founder of the Qualifier Group, an alliance joining 10 European airlines. In September, SAir Group bought a 44 percent stake in Air Littoral, France's largest regional carrier. (Bridge News, Bloomberg)

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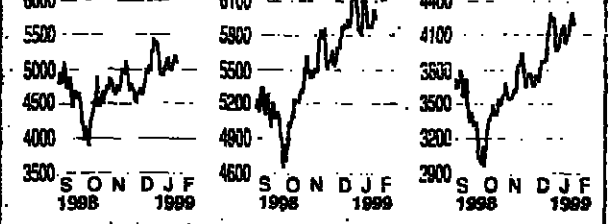
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Investor's Europe

Frankfurt DAX FTSE 100 Index Paris CAC 40



Exchange	Index	Wednesday Close	Change
Amsterdam	AEX	527.12	-1.06
Brussels	BEL-20	3,440.47	-0.43
Frankfurt	DAX	5,085.66	-1.57
Copenhagen	Stock Market	634.20	-0.15
Helsinki	HEX General	5,837.61	+0.61
Oslo	OBX	552.61	+0.63
London	FTSE 100	5,940.30	-1.21
Madrid	Stock Exchange	880.60	+0.06
Milan	MIBTEL	23,490	-0.96
Paris	CAC 40	4,188.54	-1.29
Stockholm	SX 16	4,133.09	-0.45
Vienna	ATX	1,065.29	-0.68
Zurich	SPI	4,529.71	-0.40

Very briefly:

- British Telecommunications PLC plans to spend \$5 billion (\$8.2 billion) over five years to improve its data and multimedia services in Britain and Europe.
- Nokia Oy, the world's largest cellular-phone maker, and MeritaNordbanken Oy agreed to develop wireless banking services using mobile-phone technology.
- Sage Group PLC, one of the world's largest accounting software companies, agreed to buy Peachtree Software Inc. of the United States for \$88 million (\$144.8 million).
- Societe Generale SA and Paribas SA, the French banks merging to create Europe's second-biggest bank, plan to reduce their loans to corporate clients by more than 10 percent, freeing up capital to make acquisitions.
- The European Commission will ask France Television, RAI of Italy and RTVE of Spain to provide details on how they use money received from the state, in the first step toward an antitrust investigation into the financing of public television companies in those countries.
- Spain's jobless rate edged up in January to 11.03 percent from 10.91 percent in December, according to the Labor Ministry, which counts only the registered unemployed. But the government said the economy was robust in late 1998, suggesting unemployment will fall.
- Britain's takeover panel rejected a move by Great Universal Stores PLC, a mail-order retailer, to appeal its claim that former directors of Argos PLC breached the takeover code during Great Universal's hostile bid for the catalog-shop chain.
- The Bundesbank plans to propose structural changes this year as it redefines its role within the 11-nation European single-currency region. (AFP, Bloomberg, Bridge News)

IG Metall Spurns Offer as 'Meager'

By John Schmid
International Herald Tribune

FRANKFURT — The IG Metall union of Germany maintained its hard-line stance Wednesday in a crucial round of pay negotiations by rejecting a sweetened offer from industry as "meager."

Keeping labor tensions simmering in Europe's biggest economy, the union also vowed to continue staging warning strikes, or temporary work stoppages, until bargaining resumes Tuesday.

The union, the largest in Germany, summoned 150,000 workers at more than 900 plants Wednesday to participate in a fourth day of protest

strikes, which last a few hours.

IG Metall repeated its determination to organize a strike ballot of its 2.7 million members if no settlement is reached by next Thursday, opening the way to a potentially crippling walkout of unlimited duration.

Government and business leaders had hoped for a breakthrough in the talks Wednesday in Stuttgart.

IG Metall is demanding a 6.5 percent raise in the 1999 contract and is resorting to its most aggressive bargaining tactics in years. The union dismissed on Wednesday the offer of a 2.3 percent increase from the Gesamtmetall employers' group, an improvement from Gesamtmetall's original offer of 2.0 percent.

IG Metall also angrily rejected a second component of the offer that would grant a one-time bonus to bring the raise to 2.8 percent, but only for companies that can afford it. The union accused industry of trying to create a two-tier wage system that would weaken the system of centralized national bargaining.

The president of the German Chambers of Commerce and Industry, Hans-Peter Stahl, said a strike by IG Metall would compel industry to boycott the government's roundtable consensus talks with unions and industry, which are meant to find a common front to attack Germany's near-record unemployment.

Corporate sales grew 14 percent, spurred by spending on preparing for the year 2000 and the introduction Jan. 1 of the euro as the common currency in 11 countries. Mr. Williams said he expected European PC sales growth to slow in 1999.

Compag Computer Corp., the world's No. 2 computer maker, maintained the top spot in Europe, increasing its market share 2.3 percentage points to 16.7 percent.

names, and margins are dropping for vendors."

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Corporate sales grew 14 percent, spurred

NYSE

Wednesday's 4 P.M. Close
The 2,300 most traded stocks of the day.
Nasdaq prices not reflecting late trades elsewhere.
The Associated Press.

12 Month High Low Stock Div Yld PE 100 High Low Last Chg

179	180	181	182	183	184	185	186	187	188	189	190	191	192	193	194	195	196	197	198	199	200	201	202	203	204	205	206	207	208	209	210	211	212	213	214	215	216	217	218	219	220	221	222	223	224	225	226	227	228	229	230	231	232	233	234	235	236	237	238	239	240	241	242	243	244	245	246	247	248	249	250	251	252	253	254	255	256	257	258	259	260	261	262	263	264	265	266	267	268	269	270	271	272	273	274	275	276	277	278	279	280	281	282	283	284	285	286	287	288	289	290	291	292	293	294	295	296	297	298	299	300	301	302	303	304	305	306	307	308	309	310	311	312	313	314	315	316	317	318	319	320	321	322	323	324	325	326	327	328	329	330	331	332	333	334	335	336	337	338	339	340	341	342	343	344	345	346	347	348	349	350	351	352	353	354	355	356	357	358	359	360	361	362	363	364	365	366	367	368	369	370	371	372	373	374	375	376	377	378	379	380	381	382	383	384	385	386	387	388	389	390	391	392	393	394	395	396	397	398	399	400	401	402	403	404	405	406	407	408	409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	424	425	426	427	428	429	430	431	432	433	434	435	436	437	438	439	440	441	442	443	444	445	446	447	448	449	450	451	452	453	454	455	456	457	458	459	460	461	462	463	464	465	466	467	468	469	470	471	472	473	474	475	476	477	478	479	480	481	482	483	484	485	486	487	488	489	490	491	492	493	494	495	496	497	498	499	500	501	502	503	504	505	506	507	508	509	510	511	512	513	514	515	516	517	518	519	520	521	522	523	524	525	526	527	528	529	530	531	532	533	534	535	536	537	538	539	540	541	542	543	544	545	546	547	548	549	550	551	552	553	554	555	556	557	558	559	560	561	562	563	564	565	566	567	568	569	570	571	572	573	574	575	576	577	578	579	580	581	582	583	584	585	586	587	588	589	590	591	592	593	594	595	596	597	598	599	600	601	602	603	604	605	606	607	608	609	610	611	612	613	614	615	616	617	618	619	620	621	622	623	624	625	626	627	628	629	630	631	632	633	634	635	636	637	638	639	640	641	642	643	644	645	646	647	648	649	650	651	652	653	654	655	656	657	658	659	660	661	662	663	664	665	666	667	668	669	670	671	672	673	674	675	676	677	678	679	680	681	682	683	684	685	686	687	688	689	690	691	692	693	694	695	696	697	698	699	700	701	702	703	704	705	706	707	708	709	710	711	712	713	714	715	716	717	718	719	720	721	722	723	724	725	726	727	728	729	730	731	732	733	734	735	736	737	738	739	740	741	742	743	744	745	746	747	748	749	750	751	752	753	754	755	756	757	758	759	760	761	762	763	764	765	766	767	768	769	770	771	772	773	774	775	776	777	778	779	780	781	782	783	784	785	786	787	788	789	790	791	792	793	794	795	796	797	798	799	800	801	802	803	804	805	806	807	808	809	810	811	812	813	814	815	816	817	818	819	820	821	822	823	824	825	826	827	828	829	830	831	832	833	834	835	836	837	838	839	840	841	842	843	844	845	846	847	848	849	850	851	852	853	854	855	856	857	858	859	860	861	862	863	864	865	866	867	868	869	870	871	872	873	874	875	876	877	878	879	880	881	882	883	884	885	886	887	888	889	890	891	892	893	894	895	896	897	898	899	900	901	902	903	904	905	906	907	908	909	910	911	912	913	914	915	916	917	918	919	920	921	922	923	924	925	926	927	928	929	930	931	932	933	934	935	936	937	938	939	940	941	942	943	944	945	946	947	948	949	950	951	952	953	954	955	956	957	958	959	960	961	962	963	964	965	966	967	968	969	970	971	972	973	974	975	976	977	978	979	980	981	982	983	984	985	986	987	988	989	990	991	992	993	994	995	996	997	998	999	1000
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NASDAQ

Wednesday's 4 P.M.
The 1,000 most traded National Market securities.
In terms of dollar value, updated twice a year.
The Associated Press.

Stock Day Yr PE High Low Last Chg

ABC					
1	2	3	4	5	6
7	8	9	10	11	12
13	14	15	16	17	18
19	20	21	22	23	24
25	26	27	28	29	30
31	32	33	34	35	36
37	38	39	40	41	42
43	44	45	46	47	48
49	50	51	52	53	54
55	56	57	58	59	60
61	62	63	64	65	66
67	68	69	70	71	72
73	74	75	76	77	78
79	80	81	82	83	84
85	86	87	88	89	90
91	92	93	94	95	96
97	98	99	100		

Stock Day Yr PE High Low Last Chg

1	2	3	4	5	6
7	8	9	10	11	12
13	14	15	16	17	18
19	20	21	22	23	24
25	26	27	28	29	30
31	32	33	34	35	36
37	38	39	40	41	42
43	44	45	46	47	48
49	50	51	52	53	54
55	56	57	58	59	60
61	62	63	64	65	66
67	68	69	70	71	72
73	74	75	76	77	78
79	80	81	82	83	84
85	86	87	88	89	90
91	92	93	94	95	96
97	98	99	100		

Stock Day Yr PE High Low Last Chg

1	2	3	4	5	6
7	8	9	10	11	12
13	14	15	16	17	18
19	20	21	22	23	24
25	26	27	28	29	30
31	32	33	34	35	36
37	38	39	40	41	42
43	44	45	46	47	48
49	50	51	52	53	54
55	56	57	58	59	60
61	62	63	64	65	66
67	68	69	70	71	72
73	74	75	76	77	78
79	80	81	82	83	84
85	86	87	88	89	90
91	92	93	94	95	96
97	98	99	100		

Stock Day Yr PE High Low Last Chg

1	2	3	4	5	6
7	8	9	10	11	12
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31	32	33	34	35	36
37	38	39	40	41	42
43	44	45	46	47	48
49	50	51	52	53	54
55	56	57	58	59	60
61	62	63	64	65	66
67	68	69	70	71	72
73	74	75	76	77	78
79	80	81	82	83	84
85	86	87	88	89	90
91	92	93	94	95	96
97	98	99	100		

Stock Day Yr PE High Low Last Chg

1	2	3	4	5	6
7	8	9	10	11	12
13	14	15	16	17	18
19	20	21	22	23	24
25	26	27	28	29	30
31	32	33	34	35	36
37	38	39	40	41	42
43	44	45	46	47	48
49	50	51	52	53	54
55	56	57	58	59	60
61	62	63	64	65	66
67	68	69	70	71	72
73	74	75	76	77	78
79	80	81	82	83	84
85	86	87	88	89	90
91	92	93	94	95	96
97	98	99	100		

Stock Day Yr PE High Low Last Chg

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7	8	9	10	11	12
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19	20	21	22	23	24
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49	50	51	52	53	54
55	56	57	58	59	60
61	62	63	64	65	66
67	68	69	70	71	72
73	74	75	76	77	78
79	80	81	82	83	84
85	86	87	88	89	90
91	92	93	94	95	96
97	98	99	100		

AMEX

Wednesday's 4 P.M. Close
The 150 most traded stocks of the day.
Up to the closing on Wall Street.
The Associated Press.

1	2	3	4	5	6
7	8	9	10	11	12
13	14	15	16	17	18
19	20	21	22	23	24
25	26	27	28	29	30
31	32	33	34	35	36
37	38	39	40	41	42
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55	56	57	58	59	60
61	62	63	64	65	66
67	68	69	70	71	72
73	74	75	76	77	78
79	80	81	82	83	84
85	86	87	88	89	90
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Stock Day Yr PE High Low Last Chg

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67	68	69	70	71	72
73	74	75	76	77	78
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91	92	93	94	95	96
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67	68	69	70	71	72
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67	68	69	70	71	72
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79	80	81	82	83	84
85	86	87	88	89	90
91	92	93	94	95	96
97	98	99	100		

NYSE

Wednesday's 4 P.M. Close
(Continued)

Stock Day Yr PE High Low Last Chg

1	2	3	4	5	6
7	8	9	10	11	12
13	14	15	16	17	18
19	20	21	22	23	24
25	26	27	28	29	30
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67	68	69	70	71	72
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91	92	93	94	95	96
97	98	99	100		

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67	68	69	70	71	72
73	74	75	76	77	78
79	80	81	82	83	84
85	86	87	88	89	90
91	92	93	94	95	96
97	98	99	100		

Stock Day Yr PE High Low Last Chg

1	2	3	4	5	6
7	8	9	10	11	12
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67	68	69	70	71	72
73	74	75	76	77	78
79	80	81	82	83	84
85	86	87	88	89	90
91	92	93	94	95	96
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Stock Day Yr PE High Low Last Chg

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67	68	69	70	71	72
73	74	75	76	77	78
79	80	81	82	83	84
85	86	87	88	89	90
91	92	93	94	95	96
97	98	99	100		

Stock Day Yr PE High Low Last Chg

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1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
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1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
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1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
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[illegible]

SPORTS

Penguins Rally To Beat Sabres

The Associated Press
PITTSBURGH — Jaromir Jagr rallied the Pittsburgh Penguins to a 5-3 victory over the Buffalo Sabres by scoring once and setting up two goals in the final 6:01.

"We gave him too much respect at times, but great players make great plays,"

NHL ROUNDOUP

said the Sabres' coach, Lindy Ruff. "Jagr, Wayne Gretzky, Paul Kariya, Teemu Selanne — they make those plays."

With Pittsburgh trailing, 3-2, Jagr stood on the bench with seven minutes to play and said, "We're not going to lose this game."

Jagr set up Hirdina for the tying goal at 13:59, then fought off two defenders to make a no-look pass onto Kip Miller's stick for the go-ahead goal and a 4-3 lead at 15:11. He scored into an empty net with one second remaining for his 21st goal.

after Miller passed up a chance for his first NHL hat trick to give Jagr the puck.

Avalanche 3, Bruins 2: Milan Hejduk and Adam Deadmarsh scored third-period goals to lead Colorado to a franchise record ninth consecutive victory and its first victory in Boston since the 1995-96 season.

Sandis Ozolinsh gave the Avalanche a 1-0 lead when he scored on a power play at 6:14 of the first period. Jason Allison scored two second-period goals for the Bruins.

Maple Leafs 3, Lightning 0: Bryan Berard and Sergei Berezin scored power-play goals in the second period, and Curtis Joseph stopped 23 shots for his 21st shutout and second this season as Toronto won at Tampa Bay.

Todd Warriner added a third-period goal at 7:55 as the Maple Leafs moved into first place in the Northwest Division.

Flames 2, Coyotes 2



Jagr stick-handling past the Sabres' Michael Peca.

Nikolai Khabibulin stopped 34 shots to earn a tie for the home crowd in Phoenix. Keith Tkachuk had a goal

and an assist for Phoenix, giving him five points in two games. Travis Hansen also scored for the Coyotes.

SCOREBOARD

ICE HOCKEY

NHL STANDINGS

EASTERN CONFERENCE

ATLANTIC DIVISION

Team	W	L	T	Pts	GF	GA
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Pittsburgh	27	10	11	65	152	92
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New Jersey	27	15	6	60	139	122
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Pittsburgh	17	15	7	58	129	126
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N.Y. Rangers	19	23	7	45	127	133
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N.Y. Islanders	15	30	4	34	116	150
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NORTHEAST DIVISION

Team	W	L	T	Pts	GF	GA
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Toronto	29	17	3	61	140	142
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Ottawa	27	15	6	60	144	107
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Montreal	17	25	7	58	129	126
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Buffalo	20	28	8	48	121	111
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Atlanta	18	24	8	44	113	131
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SOUTHEAST DIVISION

Team	W	L	T	Pts	GF	GA
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Carolina	23	18	8	54	127	118
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Florida	17	24	7	48	117	124
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Washington	17	26	4	38	110	129
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Tampa Bay	11	24	4	26	98	171
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WESTERN CONFERENCE

CENTRAL DIVISION

Team	W	L	T	Pts	GF	GA
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St. Louis	24	21	4	52	143	128
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Chicago	17	25	8	42	133	134
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San Jose	18	27	9	45	115	156
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Colorado	14	27	8	36	110	155
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NORTHWEST DIVISION

Team	W	L	T	Pts	GF	GA
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Calgary	26	19	4	56	132	130
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Edmonton	19	21	7	45	133	134
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Phoenix	17	25	8	42	133	134
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Vancouver	14	26	6	38	130	142
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PACIFIC DIVISION

Team	W	L	T	Pts	GF	GA
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Dallas	20	23	8	48	141	94
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Phoenix	25	18	6	60	127	99
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San Jose	16	29	12	44	109	115
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Los Angeles	17	28	3	37	117	135
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TUESDAY RESULTS

Team	W	L	T	Pts	GF	GA
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Colorado	1	0	0	2	3	0
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First Period: C-0, D-1, L-0, S-0

Second Period: C-1, D-0, L-0, S-0

Third Period: C-0, D-0, L-0, S-0

Final Score: C-1, D-0, L-0, S-0

Goalkeepers: C-0, D-0, L-0, S-0

Penalty Shootout: C-0, D-0, L-0, S-0

Referee: C-0, D-0, L-0, S-0

Linesmen: C-0, D-0, L-0, S-0

Time: C-0, D-0, L-0, S-0

Attendance: C-0, D-0, L-0, S-0

Boxing: C-0, D-0, L-0, S-0

Baseball: C-0, D-0, L-0, S-0

Soccer: C-0, D-0, L-0, S-0

Ice Hockey: C-0, D-0, L-0, S-0

Figure Skating: C-0, D-0, L-0, S-0

Winter Olympics: C-0, D-0, L-0, S-0

Winter Paralympics: C-0, D-0, L-0, S-0
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Winter Youth Olympics: C-0, D-0, L-0, S-0

Winter X Games: C-0, D-0, L-0, S-0

Winter World Cup: C-0, D-0, L-0, S-0

Winter World Championships: C-0, D-0, L-0, S-0
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Winter World Cup Finals: C-0, D-0, L-0, S-0

Winter World Cup Qualifiers: C-0, D-0, L-0, S-0

Winter World Cup Preliminary Rounds: C-0, D-0, L-0, S-0

Winter World Cup First Round: C-0, D-0, L-0, S-0
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Winter World Cup Second Round: C-0, D-0, L-0, S-0

Winter World Cup Third Round: C-0, D-0, L-0, S-0
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Winter World Cup Quarterfinals: C-0, D-0, L-0, S-0
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Winter World Cup Semifinals: C-0, D-0, L-0, S-0

Winter World Cup Final: C-0, D-0, L-0, S-0
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Winter World Cup Bronze Medal Game: C-0, D-0, L-0, S-0
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Winter World Cup Silver Medal Game: C-0, D-0, L-0, S-0
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Winter World Cup Gold Medal Game: C-0, D-0, L-0, S-0
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Winter World Cup Overall Standings: C-0, D-0, L-0, S-0
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Winter World Cup Individual Standings: C-0, D-0, L-0, S-0

Winter World Cup Team Standings: C-0, D-0, L-0, S-0

Winter World Cup Overall Standings: C-0, D-0, L-0, S-0
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SKIING

WORLD CHAMPIONSHIP

ISPERO SUPER-G

Rank	Name	Country	Time
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1.	Diego Hermann	Austria	1:45.55
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2.	Hannes Kneissl	Austria	1:45.54
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3.	Stephan Eberharter	Austria	1:45.75
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4.	Paul Accola	Switzerland	1:45.79
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5.	Christoph Plöchl	Austria	1:45.81
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6.	Steve Locher	Switzerland	1:45.82
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7.	Didier Cuche	Switzerland	1:45.83
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8.	Joël André	Norway	1:45.88
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9.	Kjetil André Aamund	Norway	1:45.88
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10.	Kjetil André Aamund	Norway	1:45.88
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11.	Kenneth Svendsen	Norway	1:45.88
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12.	Freddie Nyberg	Sweden	1:45.88
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CRICKET

JIN LAMKA VS. ENGLAND

TWO-DAY MATCH

WEDNESDAY IN SYDNEY

Team	W	L	T	Pts	GF	GA
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ART BUCHWALD

Impeachment Quiz

NEW YORK — It's time for your impeachment trial quiz.

1. How many senators does it take to screw in a light bulb? (Hint: It takes a simple majority of 51 senators, but it takes 67 to screw someone for a high crime and misdemeanor.)

2. Name five founding fathers of the United States who never tried to find a job for one of their in-laws at Revlon.

3. Name five founding fathers who never bought gifts on Martha's Vineyard for someone other than their wives.

4. Name at least one U.S. senator (in either party) who never lied to the American people.

5. Name 100 U.S. senators who have lied to the American people for the good of their country, their grandchildren or the political party for which they took an oath to serve.

6. If you were a Ken Starr witness and refused to rat on the president, could Starr, as

special prosecutor, take your Social Security, your car, your dog or your season basketball tickets away from you?

7. The second highest position in the land is that of first lady. In her position, can she pardon the president? Has she pardoned the president? Why would she want to pardon the president?

8. A person from a Southeast Asian nation comes to you and says he and his friends at the Buddhist monastery are organizing a political defense-fund dinner in Teaneck, New Jersey. Do you buy a table?

9. Which of the following things would happen if the president were accused of masterminding the Brink's armored truck robbery?

(a) He would go up in the polls by 20 points.

(b) The stock market would go up by 20 points.

(c) The president would apologize to the American people and offer to raise their Social Security by 20 percent.

(d) Dick Morris would tell the president not to worry because the American people believe Brink's has more money than it knows what to do with.

New York Opens Play Festival

New York Times Service

NEW YORK — Like the literary equivalent of the Australian Open or Wimbledon, a knockout playwriting tournament began here Wednesday night with four plays presented under the auspices of the Turnip Theater Company at the Studio, at 145 West 46th St.

The event is the "New York City 15-Minute Play Festival," comprising 32 original short plays chosen from 250 entries nationwide and competing through Feb. 20.

At each performance, the audience votes for its favorite. Winners from the first two weeks move on to finals week, when they compete for cash prizes and the accolades of audiences and theater professionals.

In Los Angeles, a Dream Factory for Musicians

By Neil Strauss
New York Times Service

LOS ANGELES — Perhaps the best place to spot pop, rock and rap superstars, up-and-comers and has-beens in this city is not the bars and clubs, but the music stores. Making it as a musician may require talent, persistence and opportunity, but before that one needs gear.

The Guitar Center, the chain that began here in 1964 as the Vox Guitar Center, ranks among the United States' biggest clearing-houses for ambition.

When musicians sign contracts with music labels, they run to the Guitar Center to spend their advance money. When bands in studios blow out an amp or snap a guitar string, they usually replace it at the Guitar Center. And when an actor or a retired plumber suddenly decides on a career change, the neophyte's first investment is often at the Guitar Center.

The store's customer list over the decades reads like a pop music reference book, including Bo Diddley, Stevie Ray Vaughan, the Ventures, Stevie Wonder, Jeff Beck, New Edition, Melissa Etheridge, Smashing Pumpkins and Alanis Morissette, not to mention less-esteemed aspiring musicians like David Kordash and Charles Manson.

To take the pulse of musical activity in Los Angeles, the dream factory responsible for much of American pop music, one can just spend a day at the Guitar Center.

On a recent Friday there, Guns 'n' Roses picked up \$700 worth of drum equipment. The alternative pop group Fountains of Wayne stopped in looking for a vintage yellow guitar for a video they were filming. Remy Zero and Mötley Crüe called seeking gear for their tours. The rhythm-and-blues group Sons of Funk, on Master P's No Limit label, checked out drum machines for their new album. The actor Robert Downey Jr. picked up some headphones for his music project.

A formerly successful heavy-metal guitarist who reeked of alcohol at 10 A.M. and asked that his name not be used replaced equipment he had pawned elsewhere. The country star Clint Black called to say he would be stopping by. A Los Angeles Dodge phoned for a price quote on equipment. And Matthew Nelson (a son of Ricky Nelson and half of the group Nelson) spent hours shopping. Not bad for what employees called a quiet day.

"My dad got me my first instrument here



Buck Dow, who plays with a band called Buck, checking out the merchandise.

when I was seven," Nelson said as he stood in the huge guitar section in a cowboy shirt. "I got a three-quarter-sized bass guitar and my brother got a little drum set. They thought it would be just a hobby, but we were back when we were 11 buying real instruments. And the guy who sold me my guitar then is now general manager of the store."

The man to whom Nelson referred is Dave Weidman, who is actually the store's director of artist relations, as well as a former touring drummer with Peter Brown and a font of Guitar Center lore. He likes to talk about when the Sultan of Brunei bought a roomful of equipment for a party and had the store's staff come to his hotel to help set it up.

Then there was the time Stevie Wonder met a boy who came to the store daily and played the piano wistfully, hoping one day to buy it for his church.

"You sound good," Wonder said before buying the shocked boy the instrument. And Weidman recounts the time Bo Diddley brought homemade barbecue for the staff.

"It gives you a sense of pride," Weidman said. "You're dealing with your heroes, and they're looking to you for advice."

The Guitar Center began humbly as an extension of the Organ Center chain, its spe-

cially intended to capitalize on Beatlemania. It has expanded along Sunset Strip, filling a former movie theater and a rehearsal hall next door, and it is filled with guitars, including a basement full of rare instruments.

The rest of the nearly 40,000-square-foot (3,600-square-meter) store is filled with almost everything that a musician, studio technician, DJ or roadie could want: computer programs, stage lights, mixing consoles, turntables, synthesizers, travel cases.

The store's critics complain of relentless expansion nationwide — the chain's 49th store is scheduled to open in Long Island City, New York, this spring — and price mark-downs that are driving smaller independent stores out of business. Last year, the publicly held company had revenue of \$391 million.

Weidman's response is that "whenever we go into a new territory, it increases business for the mom-and-pop." He cited several guitar stores that had opened near the flagship in Los Angeles.

Not everybody who shops at the Guitar Center is famous. Some of the store's most interesting customers are not familiar faces. As its salespeople say repeatedly, the store motto is "Treat a celebrity like a regular guy and treat a regular guy like a celebrity."

That Friday, for example, a group of fresh-faced teenagers hoping to be as big as the Backstreet Boys bought tens of thousands of dollars worth of studio equipment. Jonathan Shneidman, a computer and interface designer for digital video disks, spent nearly six hours selecting electronic equipment to play live on the Internet. And representatives of a church in South Korea bought a public address system.

The cliché music store experience is to walk in and see dozens of teenagers playing Led Zeppelin's "Stairway to Heaven" on guitar with no intention of making a purchase. Within a half hour of the store's opening that Friday the song had already been played twice, but a new trend seemed to be emerging. In the guitar section, many customers were experimenting with alternate tunings, employees said.

More strikingly, most teenagers who walked through the door went not to the guitars but to the drum machines and samplers. What guitar riffing was to kids in the '80s, beat-making (programming hip-hop and dance rhythms) is to teenagers today.

Part of the Guitar Center's cachet is its 183 salespeople. Almost all are musicians, usually older men past their glory days or younger ones hoping that their big break will come even faster through contacts made at the Guitar Center. To see a stereotypical image of the technically minded musician's musician, look around the store: At one point in the studio equipment room, the ratio of employees with ponytails to those without was 4 to 1.

"I put my hair in a ponytail because it looks more professional," explained one. "But if I want to relate to a heavy-metal musician, I can just pop my hair out and let it hang."

Slade came to the store looking for CDs of drum loops that he had ordered. The store did not have them yet and Slade was crestfallen, explaining that he could not work without them. Moved by Slade's disappointment — or maybe just bored on this relatively slow Friday — an employee, Johnny DeLeon, drove to the supplier's office half an hour away in Century City to pick up the CDs and make the \$64.84 sale. Slade tried to stuff a \$20 tip into DeLeon's pocket, but he declined.

Asked what led him to go so far out of his way for such a small sale, DeLeon just smiled and shrugged, reciting the Guitar Center credo. "Treat a celebrity like a regular guy and treat a regular guy like a celebrity."



GREETINGS — The exiled Iranian author Faradsch Sarkuhi embracing the Nigerian poet Ogaga Ifowod as they met Wednesday at a writers' seminar, "Berlin — City of Escape." Sarkuhi now lives in Germany.

THE Public Broadcasting Service must pay nearly \$47 million to the former Monkees Michael Nesmith and his defunct company for defrauding him in a home video deal that sank the firm. A federal jury in Los Angeles decided that PBS went behind Nesmith's back to steal the home video rights to such popular fare as "Sesame Street" and the Ken Burns documentary "The Civil War" while promising to keep his faltering firm afloat. Nesmith's company, Pacific Arts, made a deal in 1990 to distribute the PBS Home Video Line. Nesmith, 56, was the hat-and-sideburns-wearing member of the Monkees.

Protesters heckled Thailand's forestry chief, Plodprasop Suraswadi, for allowing the shooting of a Leonardo DiCaprio movie on a protected beach. Several activists showed up at the headquarters of the Forestry Department as Plodprasop was making a speech. He told the hecklers they should leave the matter to the courts and stop "treating me like an animal," the Bangkok Post

quoted him as saying. Environmentalists are suing Plodprasop, saying the 20th Century Fox production is spoiling Phi Phi Island's fragile ecosystem. The filmmakers have ended shooting and say they are returning the beach to its pre-filming state.

Siegfried and Roy, who were warned

D.A.R.E., an anti-drug program used in

The Singer Sinead O'Connor Strikes Back

Agence France Press

LONDON — The Irish rock singer Sinead O'Connor says she will sue the father of her daughter after his charges that she had neglected the 2-year-old were dismissed. O'Connor said the Irish journalist John Waters' accusations arose out of "malice and vindictiveness."

"It's the worst thing that you could accuse a person of, other than sexual abuse," she said from her home in north London. She said she would sue him for filing a malicious report and for "the damage to my career and family life."

A social services spokesman confirmed that a social worker had visited the house and that the agency would not be taking the matter any further.

"Now John will have to go through the courts and let the judges work out how and when he can see Roisin. He has just made life much more difficult for himself."

schools across the United States, has sued Rolling Stone magazine for \$50 million, contending it was libeled in an article written by a journalist who admitted making up part of the story. The article by Stephen Glass said D.A.R.E., or Drug Abuse Resistance Education, tried to "silence critics, suppress scientific research and punish nonbelievers." The federal lawsuit alleges that Rolling Stone's managing editor, Robert Love, requested a derogatory article about D.A.R.E. to further efforts by the editor and publisher, Jann Wenner, to "discredit anti-drug organizations." Glass was a writer for the New Republic when he confessed to making up stories for that magazine and others, including Rolling Stone.

He has conquered film, stage and television. Now John Lithgow has decided to chart untested waters with a singing career. The star of "Third Rock From the Sun" is releasing his first album next month, "Singin' in the Bathroom." The collection of swing style tunes will be aimed at children.



(kick off your shoes)

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France	0-800-99-0011	Netherlands	0900-022-9111
Germany	0130-0010	Russia (Moscow)	755-5042
		Saudi Arabia	1-800-10
		Spain	900-99-00-11
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